ORVILLE LOTHROP FREEMAN

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Office of the Secretary

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As I open this conference on policies and programs for American agriculture, and as I welcome you most sincerely to this conference, it is perhaps in order that, as the new Secretary, I share with you my position on the objectives and goals we should seek, and the guiding principles I intend to follow in our efforts to achieve these goals.

The problems of agriculture in the United States today, and the prevailing attitudes toward those problems, present us with a paradox ~~that~~ is both disconcerting and challenging. Agriculture in America today is an industry that, in terms of fulfilling its primary function, has achieved phenomenal success. For the primary function of agriculture is to provide food and fiber to meet human needs. Nowhere on earth, and never in history, has agriculture met this function so well as it has in the United States today.

The American consumer is better fed, and at lower real cost, than ever before. American agriculture has abolished, here in America, one of mankind's oldest anxieties, the fear of hunger and famine. Yet American agriculture is referred to more often in terms of surplus or subsidy than in terms of success. One reason why this is so is that, successful as American agriculture has been in achieving this major function, it does not today provide to farmers the reward that their success deserves.

It is a challenge we face, a responsibility we share, to change this picture -- to resolve this paradox.

And therefore I hope we can all agree on the major objectives and goals toward that end.

Statement by Secretary of Agriculture Orville L. Freeman at opening of Conference on Policies and Programs for American Agriculture, Thomas Jefferson auditorium, U. S. Department of Agriculture, Washington 25, D. C., January 26, 1961, 8 a.m. (EST).

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USDA 226-61

I believe that we must have a positive, constructive approach to problems of agriculture, directed toward three major goals:

First, we must insure the production of enough food and fiber to supply high standards for all Americans, now and in the years ahead. To this end, we must seek more effective distribution of the products of our tremendous agricultural productivity. We must expand the utilization of our agricultural products; with special concern for those in need, for those in distressed areas, for those whose nutritional standards and dietary habits are below the levels known to be essential for maximum health and physical vigor. In taking immediate steps to implement President Kennedy's first executive order regarding contributions to food allowances for those in need, this Department has already taken a first step toward this goal.

Second, we must assure the efficient American family farm the opportunity to achieve parity of income without exploiting either consumers or taxpayers. Government must provide to farmers, as it has provided to other groups in our economy, the tools by which they can achieve equality of economic opportunity. There is no reason why those who produce -- and produce efficiently -- commodities essential to life, should not receive, for the capital and labor they invest in that production, a return that is comparable to the return received by others for similar investments.

Third, we must expand our programs to utilize our agricultural abundance as an instrument to encourage economic growth in underdeveloped areas of the world, as one of our greatest weapons for peace and freedom, and thus a source of strength for our nation and of security for our people.

I trust that there is general agreement on these objectives and goals.

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In our efforts to reach these objectives and achieve these goals I intend to follow certain guiding principles.

First, I am convinced that success in this endeavor depends in no small measure on the extent to which we can achieve a much broader understanding of agricultural problems than that which now exists, particularly -- but not exclusively -- in the minds of the non-farm public.

Evidences of this need for greater understanding abound. Only recently a Gallup Poll revealed that the most frequent complaint on the part of the general public was concern about the increased cost of food; yet the fact is that costs of rent, medical care and transportation have increased twice as much as that of food during the past ten years. The relatively slight rise in food costs has been one of the principal non-inflationary aspects in our economy in recent years. If the prices received by farmers had increased in proportion to other prices, and if such increase had been passed on to consumers, Americans would pay billions of dollars more each year for food and clothing. And thus, in a very real sense all American consumers have gained, at the expense of the American farmer.

But there is so little general public understanding of these facts that we must, in effect, become salesmen for American agriculture. We must develop a recognition on the part of the general public of the contributions made by agriculture to the high standards of living we enjoy --and a public understanding of the importance of a sound farm program, not only to farmers, but to all Americans.

Second, I intend to seek the greatest possible cooperation, in the development of policies and programs for American agriculture, from farmers themselves, from farmers' organizations, and from the Congress of the United States.

(more)

I believe that farmer participation, from the local level on up, is essential to the successful operation of farm programs in a democracy.

I believe that farmers through their own cooperative organizations have done much to improve their own conditions -- and I believe that they can and should do much more, and that government should therefore encourage such activity.

I believe that we must seek the widest possible agreement on broad programs in the interest of American agriculture. I know that this will not be easy. I know there are conflicting and opposing points of view. These differences, I think, are in part due to the fact that in agriculture we have only recently shifted from an economy of scarcity to an economy of abundance, and there are some who have not yet adjusted their thinking to the new conditions. They are also in part due to differing regional conditions and interests.

There will -- and should -- always be differences of opinion in a free society. I welcome them. But such differences need not preclude a general agreement on objectives and goals, nor a broad consensus on programs essential to achieve these goals.

Third. I hope that a final guiding principle in our development of farm programs and policies will be a recognition of agriculture in terms of its interrelationships with other aspects of our domestic and foreign policy.

Just as American prosperity can never be secure without a prosperous agriculture, so must a successful program for agriculture take into account our entire economy, including help for distressed areas, the interests of consumers, our balance of payments problems, our national strength and security, and our position of leadership in the free world.

(more)

I intend to follow these guiding principles in our efforts to reach the objectives and goals I have stated. I ask your help. I regard the task ahead as a real challenge and great opportunity.

The problems of agriculture are difficult and complicated. Our justifiable pride in the phenomenal technological and scientific progress that have tremendously increased our agricultural productivity must be matched by a firm determination to utilize the same degree of talent and effort to solve existing problems of effective distribution and adequate farm income.

As long as two thirds of the people of the world are hungry, the problem of our agricultural surplus is a world problem as well as a problem of our farm states.

As long as millions of Americans lack adequate standards of nutrition in their diets the problem of stored foodstuffs is more than one of the storage costs to taxpayers and price supports to farmers -- it is an integral part of our effort to improve consumption and distribution.

As long as competent and efficient farmers, utilizing the modern methods and scientific advances that have made American agriculture outstandingly successful, are unable to earn a fair return for their capital and labor, we can have no sound and permanent health in our economy.

It is of concern to all Americans that we progress rapidly toward a solution of the farm problem. It is of especial concern to you, as representatives of farmers themselves. I am confident that by working together we can reach such a solution, and it is my hope that this conference will be a constructive step toward that end.

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STATEMENT BY SECRETARY OF AGRICULTURE ORVILLE L. FREEMAN ON THE AREA REDEVELOPMENT BILL BEFORE THE SUBCOMMITTEE ON PRODUCTION AND STABILIZATION OF THE SENATE BANKING AND CURRENCY COMMITTEE, 10 A. M., TUESDAY, FEBRUARY 28, 1961

The area redevelopment bill is extremely important to the people of rural America, and I appreciate the opportunity to discuss it with you. I support it officially as Secretary of Agriculture, and I continue the vigorous personal support that I have given previous bills of similar nature.

It is heart-warming for me that this legislation is evidently headed toward passage and application. It is an important piece of legislation and its passage would meet a critical need.

In my judgment, this legislation provides what the rural people want and need most at this time as help in bringing about fuller employment and building buying power in the trade areas of rural America.

This is democracy at its best, the Federal Government supplementing but not substituting for the facilities of State and local governments and active groups of citizens.

This legislation will make possible a rural enterprise program that is soundly based upon the knowledge and activities, local leadership and organizations already being developed but which includes a tool that is now missing and badly needed. The tool is credit, backed by technical assistance and job training. People in the rural areas are ready to use this credit and technical assistance. They need outside help to break the vicious circle that keeps them stymied.

Breaking the vicious circle. It is natural to ask why federal credit is needed because it is natural to assume that private capital and private enterprise will move in and develop industry in areas that offer sufficient promise to justify investment. The trouble is that depressed areas do not compete strongly with places that are already better developed. In northern Minnesota, for example, we have locations where resources and high class manpower are available but where new industries would have to provide their own water purification plants, sewage disposal plants, and other facilities which are usually provided with public funds. Where business has been bad for a long time, the welfare load has gone up, and remaining business people are struggling to pay taxes which represent an increasing share of their income. The levy for welfare often exceeds that for any other purpose. I know of counties where it is more than 30 mills. This heavy tax load for welfare hurts the cause of schools, roads, fire departments, libraries, and other community facilities that require public funds, as well as churches and other privately supported institutions.

Where business is bad, many people get behind in repaying loans, the local bank funds are tied up, all credit gets tight; the very people who can best see the business opportunities of the area and would normally develop those opportunities become powerless to perform their natural function in the economy.

On top of this, the areas that have suffered longest from chronic underdevelopment and poverty receive the first and hardest blows when employment falls off in other places. Typically, the people who lose jobs first in a business decline are those who are least trained and probably last hired, and those are more often than not the people who came from underdeveloped areas. They tend to go back where they came from, not only because their relatives are there but also because that's where it is easiest to find a place to live and produce a little food, where it is cheapest to get a few tools and a little land for farming until another job opens up. The land available is cheap to rent because it is poor, and the returns per hour of labor are bound to be low because the machines and materials for modern, efficient operations require a capital investment beyond the means of the operator.

Nor is that the end of the unfortunate sequence of events. The family that returns to the old home surroundings adds to the load on the local school and may, before the winter is over, add to the welfare load. Suppose the worker who lost his job and returned home is a little past the age bracket in which industry prefers to hire. He may never get away from the old home township again. If not, he will have lots of company because many of his friends and relatives are also in the upper age brackets and have either come back or were never able to get away. Many of these people would have been hired if more jobs had been available. Others would have been attracted to employment elsewhere if the job market had been a little better or if they had happened to

hear of a good job at the right time. Whatever the reason, they are there trying to make a living in an area that is short of resources, has more than its proportionate share of the elderly, the very young, and the handicapped, fewer than its share of doctors, and does not have nearly enough jobs to keep the people fully employed.

Something has to be done to get the community off the downgrade and get its economy started up again.

Obviously, the $100 million revolving fund for credit on private projects in rural areas will not go far enough even though Federal participation is limited to a maximum of 65 percent of the funds required for each project. Nor will the $100 million revolving fund for public facilities do enough. On the other hand, the credit provided for by this legislation should prove to be a great catalytic agent, and I am content to wait and see how much activity is generated in total before calling for any greater Federal effort. A good new start is the important thing.

MORE JOBS NEEDED

The basic problem we are combatting -- in rural America as in the cities -- is lack of enough jobs.

At this point, Mr. Chairman, if I may make specific reference to language of the bill at two places, I suggest the words "and underemployed" be inserted following the word "unemployed" in line 4 of Section 16 and in line 16 of Section 17.

The purpose of this change is to make clear the eligibility of persons on low-income, low-productivity farms to take part in the occupational retraining programs established by these sections of the bill. The amount of payments for retraining subsistence provided for in the same section could well be flexible in view of the fact that some underemployed persons would have some regular income during retraining.

When I speak of underemployment, I am talking about a form of disguised unemployment. Wherever a man gets to work only two or three days of a five-day week, this is partial unemployment but not underemployment in the sense we are thinking of it in connection with this proposed legislation. Underemployed people in this sense are those who put in full time working and are willing and able to use their opportunities but whose potential productive capacity is not fully utilized.

We use the term "underemployment" a good deal when we are talking about low income of farmers and other rural people. It is a useful term, especially if we realize that underemployment is derived from unemployment.

This is something I have observed myself as Governor of Minnesota and simply as a citizen trying to understand our economy. Now I find that scientific research reveals the fact in concrete terms of data.

Unemployment equivalent of underemployment. I asked our research people to calculate the amount of underemployment in agriculture from the data they have and tell me how much unemployment this represents. They compute it at 1,400,000. There is enough underemployment each year among workers 20 to 64 years of age who live on farms to equal a full year of unemployment for 1,400,000 workers. That is to say, if we did not have so many people underemployed in agriculture, the Nation would have roughly 1,400,000 more unemployed workers than are currently reported.

It is clear that unemployment and underemployment are basically the same condition. We need more jobs.

Since World War II, the Nation's economy has not grown enough to put to work and keep fully employed all of our people who want to work.

Already, farm families get a third of their net income from nonfarm sources. Of every 100 farm operators, 45 did some work off their farms in 1959, and nearly a third of the operators worked off their farms 100 days or more.

However, representatives of 95 percent of the rural electric systems of the Nation report that there is need for additional work off the farms in the areas they serve. With the labor supply increasing and with technology making an hour of work more productive, we have permitted a situation to develop where demand has been outrun.

Underemployment in agriculture has become an increasingly serious problem since the end of the war. An increasing number and an increasing percentage of farm families are found in the lowest income group of the Nation -- the lowest one-fifth. In the 1944-47 period, 40 percent of the farm operator families were in that group, but in the 1955-57 period more than 50 percent were in it. Another way to see this problem is to look at actual income figures. In 1959, only about 13 percent of the families in the Nation had incomes less than $2,000, but about 36 percent of the farm families had incomes under $2,000.

Ability and willingness to work. Underemployment in agriculture is due to the national shortage of jobs rather than to inherent characteristics of regions or people. Department of Agriculture and State College research people studying the problems of specific areas find differences, it is true. The history of an area and the origins and history of a group of people are reflected to some extent in the opportunities available and the way the people react to them; but the differences among areas pale into insignificance when you consider this unifying similarity:

The American people wherever they are, whatever their origins and history, want to work. They aspire to better things for themselves and their children.

They take jobs when and where they find jobs for which they are qualified. They are ingenious in putting their resources to work to make and sell useful goods and in selling needed services.

This is true of the people in the areas that are short of resources and buying power, as it is in other areas, contrary to what some of us have assumed too easily in the past.

This was brought out in results of a recent study that was conducted in northeastern Texas. The incomes of people living in the open country but working on nonfarm jobs were compared with the incomes of people who were in the same age bracket, who had no physical disability to limit their earning capacity, who had basically the same education and other characteristics but who had only their farm income.

The farm people without any outside income earned (and this was the average for 1955) only $1,754. Their neighbors with nonfarm jobs made nearly twice as much, an average of $3,347. The farmers could have done the same work their neighbors were doing. They had the ability but not the jobs.

I am sure the same general facts would hold in all of the areas where this bill would apply. The people of these areas are in need of help because there are not enough jobs, rather than being out of jobs because they are handicapped or because of poor attitudes.

The fact that the qualities of good citizenship are found in all areas and all groups -- not just those with the greatest advantages -- is not news to the members of this committee. But the facts do need to be on the record because there have been some misunderstandings about economic potentials in rural areas. The bill is based upon recognition that rural America as well as the cities can and will make good economic use of the funds and services provided for in the bill.

PAST AND PRESENT EFFORTS

For perspective on the new endeavors, let us take a brief look at what has been and is being done toward rural economic improvement. Back in the 1930's, after providing some emergency relief, the Nation recognized that many families on farms could make a better living if they could get credit and guidance to buy and make good use of land, equipment and production materials. This work was handled by the predecessors of the present Farmers Home Administration, and it did a lot of good. However, it never did reach all the families who needed it, and it became less effective as appropriations were cut during the period when parts of the agricultural economy were booming.

The TVA pioneered in area development on a big scale and enabled the people of the Tennessee Valley to make rapid progress. But for one reason or another, the TVA pattern has not been adopted for other regions.

REA loans have enabled many communities to enjoy the benefits of electric and telephone service, and prominent among these benefits are better business, more jobs.

Watershed protection programs and many other activities have helped to strengthen the rural economy and extend opportunities for employment in some places.

State and local organizations and activities have been effective in some places. In my own State of Minnesota, for example, more than 150 local development corporations have been formed and have active organizations working on economic development.

Through the years, various efforts have been made to bring the services of Federal agencies to a focus in particular areas so that available credit, vocational training, extension work, employment services, and so on could be coordinated and used to fullest advantage.

Most recently, the Department of Agriculture has concentrated its efforts in pilot counties where planning and organizing have been done by local leaders. The 84th Congress appropriated a little more than $2 million to the Department for fiscal year 1957 work in low income areas.

Authority to allocate funds outside the regular Smith-Lever Act formula for extension purposes without matching by States was granted through Public Law 360. This permitted greater use of funds in localities that are short of resources than was previously possible. As this new administration begins, there are 210 pilot areas.

I believe it is fair to say that local leadership is doing an increasingly good job of using State and Federal assistance, in identifying and interesting the citizens in their economic development problems, in taking inventory of what they have to work with, and in planning what they will try to do. An awareness that action of a particular kind is needed is the first step toward getting that action. I could give you examples of progress being made in getting new businesses started and farming improvements made. We all know they are taking place, but we also know they fall far short of the need.

We need to do all that can be done promptly while longer-range efforts are being prepared.

Already, under orders from President Kennedy, the rural housing loan program is being stepped up with the use of an additional $50 million of loan funds. This will help stimulate rural business and rural buying power in the immediate future.

Over the long pull, we need to encourage not only individual new enterprises and expansions but also balanced economic development on an area-wide basis.

This is a fairly complicated matter. If an area aspires to have a successful canning factory -- to choose a random example -- somebody must see to it that a dependable supply of good water is available to the factory and that there is some appropriate means of getting rid of the waste water. Power supply is an obvious need. The crops to be processed can be produced only if they are adapted to the soil and climate. The best varieties for the purpose should be selected so that the finished product can compete in the market. Farmers who are to supply the raw product should be able to produce efficiently, which means they need to choose the proper equipment, fertilization and pest control practices, decide whether to develop irrigation facilities and, if so, learn how much water will have to be applied in particular time periods.

Quality of product has to be maintained by means of good harvesting and handling methods. The soil must be managed so

that it will remain in good condition. And prudent management would dictate that the farmers of the area should not become one-crop farmers subject to ruin if the weather or the market should pull a surprise. Marketing services such as grading and inspection may be called for. Vocational training may be needed for work in the factory if not on the farm. If the work is seasonal, some means of bringing workers in from a distance may be needed part of the year. Somebody must be concerned about housing and the many community services that are suddenly needed when the wheels of industry start turning. Meanwhile, plans should be going forward for additional enterprises that fit in with the canning plant to round out the economy of the trade area. Our interest is in developing the resources of the community to the full -- with agriculture, mining, manufacturing and all other enterprises playing their part.

All the way through, the local leaders and their organizations and institutions need to stay in the driver's seat.

MOVING AHEAD

When this proposed legislation becomes law, the Secretary of Commerce will ask the Secretary of Agriculture to recommend to him the areas which should be designated as rural redevelopment areas under the terms of this legislation.

Acting on this request, the Secretary of Agriculture will move rapidly to apply the criteria provided by the bill for determination of areas eligible to be designated.

As the first action after a rural redevelopment area has been designated, the Secretary of Agriculture will make the Department's informational and technical services available to the people of the areas to assist them in developing an economic expansion program for the area.

The same information that is used as the basis for designating rural redevelopment areas will be used in formulating programs for the designated areas.

The analysis of the area must take account of the resource inventory.

First of all, the resources point out the direction in which the area should head. In one area, the resources may point the rural enterprise improvement program toward greater intensification of some type of agricultural production in combination with processing -- an "agribusiness" such as potato flaking or poultry processing. In other areas, the best answer may be a combination of farming, forestry, and woodworking industry such as the making of furniture, boxes, handles, or any of a thousand other wood products. Or the inventory may point toward the tourist and recreation business, which would call for the development of roads, parks, and campsites.

Recreation will become bigger business as our network of improved highways expands and as people make better use of the increasing amount of leisure time.

Already we are hearing from communities that are stepping up the pace of their planning. From southern Illinois, we have had an exploratory inquiry as to whether this bill would provide for credit to finance a cooperative fruit and vegetable canning and packing plant. Another inquiry is concerned with credit for a large co-op livestock feed lot. Still another expresses interest in processing and packing poultry products to meet specifications of the Food for Freedom endeavor.

Program operation. As in the case of rural electrification, watershed protection programs, and other important activities in which Federal funds and services are made available to the people of an area, it is important that the people who live in the area take the leadership and that the local resources should be used to the fullest extent. The Federal funds and services should be supplementary.

The Rural Electrification Administration, Farmers Home Administration, Farmer Cooperative Service, Forest Service, Soil Conservation Service, Agricultural Marketing Service, Agricultural Research Service, Extension Service, Agricultural Conservation Program Service -- all of these agencies operate programs or offer services that are potentially useful to the

people directly responsible for a rural redevelopment project. We plan to marshall and direct those programs and services so that their full potential can be realized and at the same time so that they will be kept in perspective in relation to the responsibility of the area people themselves.

BUILDING BUYING POWER

The legislation you are considering, in my opinion, will help tremendously to build up the buying power of farm families and all the other people who live in rural areas. It will make the cash register on Main Street jingle more often.

By extending credit and backing it with technical assistance and vocational training, this legislation will give communities that suffer from extended economic depression the help they need most. It will help the unemployed and under-employed get more of the jobs that they need and want. In short, it brings to one of our most serious problems the kind of answer that our people and the world hope to find in democracy

U. S. Department of Agriculture
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American agriculture today is an outstanding success in the fulfilment of its major function -- the production of the basic needs of life. There is hardly a nation in the world that wouldn't gladly exchange its "farm problem" for ours. The unparalleled productivity of American farmers is a major factor in providing the people of our nation with the highest standard of living the world has ever known. It is a major element in the strength and security of the United States. This is what is right with American agriculture.

Something is wrong with American agriculture as well. Those who produce this abundance are not getting the reward they deserve for their ability and productivity. But we have heard so much about what is wrong that we too often fail to realize what our society owes to the agricultural segment of our economy. It is only as we recognize what is right that we can effectively act to remedy what is wrong.

The basic goals of the agricultural policies and programs of this Administration are directed toward preserving and expanding what is right, and eliminating what is wrong. We seek to insure enough production of food and fiber to supply high standards for all Americans, now and in the years ahead, and to assist our friends throughout the world to move toward those standards. To this end we seek more effective distribution of the products of our tremendous agricultural productivity. We seek to expand the utilization of our agricultural products, with special concern for those in need at home and abroad.

Address by Secretary of Agriculture Orville L. Freeman before the National Farmers Union, Departmental Auditorium, Washington, D. C., March 14, 1961, 8:00 p.m. (EST)

4001 USDA 744-61

We seek likewise to assure the efficient American family farm the opportunity to achieve parity of income without exploiting either the taxpayer or the consumer. We seek to enable the farmer to realize equality of economic opportunity by means of democratic methods that retain for the farmer control over his own enterprise while providing him with the tools that enable him to exercise that control more effectively.

I am confident that we can achieve these goals.

We must seek them through legislative action, with regard to which the President will make specific proposals later this week.

We must also seek them through developing increased public understanding of the significance of agriculture in American life.

I regard this goal of greater understanding as of supreme importance, because without it the best conceivable legislation can offer no permanent solution.

And I emphasize its urgency because I believe there is no major problem area in the economy of this nation about which there exists today so little real public understanding.

This lack of understanding is not limited to "conservatives." It is not even limited to metropolitan areas. I have heard it expressed by liberal pundits whose life work is to educate the people on public questions. I have heard it expressed by liberal leaders from all over the nation -- yes, even in my own state of Minnesota -- who somehow feel they ought to be "for the farmer" but don't know why. I have even heard it expressed by intelligent farmers themselves.

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I have been deeply concerned about this prevalent public attitude toward agriculture for many years. More than two years ago I spoke about it in the midst of one of our greatest metropolitan centers. Now I regard it as one of my major responsibilities to work toward the development of a sounder, truer, and more realistic appraisal of the value and the importance, as well as the problems, of American agriculture. I believe that this goal is likewise a major responsibility of the National Farmers Union.

And therefore I would like to present briefly to you tonight my observations on:

1. some basic causes of this prevalent lack of understanding;
2. some basic concepts about agriculture that must be recognized by the people of the United States if we are to make real progress toward reaching our goals;
3. some suggestions as to how we might proceed to build in the minds of the American people an honest and sympathetic understanding of the role of agriculture in our life.

I think there are many resons for the current lack of adequate understanding.

In the first place, there has been an almost revolutionary change in the position of American agriculture, and in the nature of its problems, during the brief span of scarcely one generation. Scientific and technological advance has resulted in a tremendous increase in productivity -- a greater increase than has taken place in most major industries. Land and labor as inputs have become relatively less important, as capital investment, machinery, and chemicals have become more important. And --

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as is the case with so many problems -- our social and economic thinking has lagged behind our physical progress. We have not yet been able to completely adjust to an age of abundance in food and fiber. Too often we hear proposals for programs, policies and solutions that, however well they may have worked in an age of scarcity, fail to meet the problem today.

A second reason for the prevalent lack of understanding of the farm problem lies in the very natural tendency of farmers, and their organizations, to emphasize action to gain the goals they seek rather than a public understanding of the reasons for such goals. For years, as farmers have sought new farm programs and new farm legislation, they have concentrated on working for such programs directly in Congress, and on electing representatives who would support those programs. Historically, this technique has worked. Farmers comprised a much larger proportion of our population only a few years ago than they do today. They elected a much larger proportion of our representatives in Congress. It was natural for farmers and their organizations to seek their ends directly by appealing to their own representatives.

But these times are over. The day is gone -- forever -- when farmers can hope to secure legislation they want without the support of non-farm representatives. The Washington Farmletter dated March 11, 1961, states -- on page one -- "The Democratic city vote passed the feed grain bill." When farmers depend on the city vote, they must seek city understanding.

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There are other reasons for the public's lack of understanding. There are those who resist a new enlightenment because they gain so much from the status quo that they oppose any influence that would lead to change. There are also those whose nostalgia for the "good old days" leads them to resist change "per se."

All these reasons help to point out the need for positive effort to sell to the American public the truth about American agriculture.

II

What are these truths the public should understand? What are the basic concepts about American agriculture that the people of the United States must recognize -- in their own interests as well as in the interest of the farmer?

First, we should realize that the American farmer has achieved phenomenal success in fulfilling his major function, the production of food and fiber to meet human needs. Americans, as a result of this success, have been freed from the fear of hunger -- one of the oldest fears of man. And the U. S. has been provided with an abundance beyond our needs that is available for use as an instrument for peace and freedom in the world.

Second, we should recognize that, in contrast with most industries in which the producer gains from increased efficiency and productivity, these very attributes which have brought such plenty within reach of every American have brought to the farmer hard times, declining incomes, and serious problems. We should seek to understand why this is so,

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in order that we can solve those problems. This is not the occasion for a detailed consideration of the factors of agricultural economics that are involved. But it is, I hope, an occasion on which we determine to explain to farmers and city dwellers alike the implications of these factors for our entire economy.

Third, we must emphasize the interdependence of our economy, the real and potential impact of a depressed agriculture on the rest of our population. We must point out how much the farmer's purchasing power affects employment in our factories. We must evaluate the effect that the migration of millions of job-seeking farmers from the land would mean to the labor market in our cities. We must consider the possible effect on the consumer if our family farm system were to be replaced by huge corporate structures, owned by only a few who hope to profit by monopolistic advantages in control over supplies and prices.

In summary, we must replace the picture of an American farmer with two Cadillacs in his garage with the picture that astounds most non-farmers -- that the farmer's average return for an hour's labor is 77¢!

We must, most of all, achieve a recognition of the fact that without a sound and healthy agriculture no part of our economy can be permanently prosperous.

III

How can we proceed to create this new understanding of American agriculture? It is a job in education -- in public relations. It is a joint responsibility that we share. I believe that you, in the National Farmers Union and in the other farm organizations represented here are especially well qualified to do an excellent job.

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In my years of acquaintance with the Farmers Union I have learned that your interests are not limited strictly to those relating solely to farm production, but rather include the broader interests of farmers as citizens, interested in a better country and a better world. Your outlook is therefore one that can play an invaluable part in an effort to bring about greater understanding.

You can do this through your own organization, your own meetings, your own speakers, and your own publications. You can do it by stimulating and assisting your members to do it through other organizations to which they belong. You can do it through your contacts and relationships with other organizations.

The task is more than salesmanship, it is one of education. It is not an easy task, but it is critically essential. For the legislative programs and policies you seek can provide no perfect and final answer in a rapidly changing world. We will need flexible programs to be adapted to varying conditions. If one solution is not satisfactory we will try others. We can be confident in the validity of our principles and goals, but we cannot be sure of the everlasting adequacy of the methods that now seem most promising.

Thus we will continue to be increasingly dependent on public understanding.

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The farmer does not ask for special favors. Rather he asks for equality of opportunity. In an economy where we accept a minimum wage and cost plus contracts, the farmer isn't asking for any special new principle of guaranteed income. He merely asks for an enlightened recognition of the fact that a healthy economy in the United States can not long exist if any important segment is economically ill.

I am confident that the President and this Administration will act effectively to bring about the kind of public understanding we need. We will need your help, for this responsibility for greater understanding is a task for all Americans. As we meet that responsibility people on our farms as well as in our cities can look forward to greater security and higher standards of living.

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U. S. Department of Agriculture
Office of the Secretary

I am happy to be here today with you, for we are meeting to carry forward the first significant piece of legislation which has been enacted in the administration of President Kennedy.

The President sends you his greetings. He asked me to convey to you the urgency of the task you are about to undertake. As he said when he signed the emergency feed grain bill -- "The Nation has a sensible and workable feed grain program. It requires the cooperation of all farmers to make it work. And it is to this task that we now must hasten."

I know you share with the President the same sense of urgency to get on with the job.

For many of us, it is an urgency borne of frustration, a frustration of watching planting time and harvest time come and go year after year while farm income sagged, while stockpiles grew and people hungered. Meanwhile, the cost of the farm programs grew, and today over $4 billion of feed grains overflow our storage facilities.

We have seen greater and greater efficiency by farmers rewarded with less and less income for their capital and labor. All of us have heard unjustly critical, sometimes hostile, things said about farmers.

You can understand, then, why I am eager to implement this new feed grain program. It can be the turning point for the American farmer and for all Americans. It provides us an opportunity for action in agriculture.

Address by Secretary of Agriculture Orville L. Freeman before an Emergency Feed Grain Program meeting attended by State Agricultural Stabilization and Conservation (ASC) committeemen, State ASC office technicians, State Extension Service personnel and others, Omaha, Neb., 11 a.m., March 23, 1961.

Permit me to convey to you also that the President wishes to place the farm program back in the hands of farmers and ranchers, to revitalize the farmer committee system, and to provide those working closely with the farmer some new and practical tools to solve farm problems with fairness to both growers and consumers of farm products.

This Administration is moving rapidly toward those objectives. We intend to keep advancing.

Every step, each new piece of practical farm legislation, will place more responsibility directly on you and your neighbors. Farm problems can be solved only with your active leadership and full participation in realistic farm programs.

With this in mind, I want to discuss with you three important matters:

1. Revitalizing and strengthening the farmer committee system in every State, county, and community.

2. The far-reaching farm program of this Administration, as presented to Congress last week by President Kennedy.

3. The emergency feed grain program for 1961, which is designed to reduce surpluses and increase farm income.

I

I welcomed President Kennedy's directive to me, which he announced in his special farm message, to revitalize the county and local farmer committee system, and to recommend whatever amendments are necessary to safeguard farmer participation in farm programs.

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I have an announcement to make to you about this. In few words, it is this: We have abolished the election boards that were set up by the previous Administration, and we are returning to the farmers themselves the election process for the choosing of community committeemen and, through them, the country committeemen. We ask that farmers in each community meet and nominate people from their own ranks to be voted on for membership in the community committees. The community committees will choose the county committees. The ASC committees will have definite and extensive responsibility as long as I have anything to say about it because the farm programs must be your programs -- not just government programs -- if they are really to work. I urge that all farmers take full advantage of the opportunities now open to them to choose men they want to put in places of responsibility in administering and developing the farm program.

My staff and I are now reviewing the Soil Conservation and Domestic Allotment Act of 1936 to determine what changes are needed to enable the Department of Agriculture to carry out this directive.

In the meantime, I assure you that you and all other members of Agricultural Stabilization and Conservation Committees will be encouraged to accept every responsibility which, under the law, I can share with you in the development and administration of farm programs.

You have the greatest stake of all in the successful administration of farm programs. Farming is your business, your future, and the hope of your children for education and opportunity.

You also have the same stake in farming that every one else has -- the daily need for food, fiber, and shelter.

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It is only right that you and all other farmers should have an opportunity to help shape the future of agriculture for it is your future. Farmers elected by their neighbors are in the best position to apply national and commodity programs to local conditions and needs.

This Administration insists on your right to do so, for without the fresh winds of democracy restored to the programs for farmers, the farming economy as we know it today will disappear.

II

President Kennedy last week sent to the Congress the most far-reaching and far-sighted farm program ever recommended in any one presidential message. It proposes a truly New Frontier for agriculture.

The President proposed that farmers be given the counterpart of industry's corporate structure and labor's collective bargaining for stabilizing production and incomes. This is logical. Agriculture is both capital and labor. Its investment is $21,300 for each farm worker, as compared with $15,900 for each worker in the manufacturing industry.

Among the major segments of our economy, agriculture alone lacks the economic organization and tools with which to deal with the problem of adjusting production to demand. The program which the President proposed will give to the farmer the means, under accepted democratic methods, for managing his own enterprise.

The President recommended that farmers share with the Secretary of Agriculture the responsibility for developing production and marketing management programs.

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President Kennedy wants farmers to have an opportunity to approve or reject proposed programs tailored to fit each commodity. A program would be submitted to Congress only if two-thirds of the voting producers supported it. Congress would hold veto power. If within 60 days the program is rejected by either House, it would not go into effect.

Thus, Congress would be relieved of the onerous burden of a detailed analysis of a multitude of separate proposals, commodity by commodity, season after season, under countless and fragmented pressures.

But Congress would have an increased responsibility for considering broad programs and policies in their entire implications, and for the continuing and final authority to determine what programs should become the law of the land.

The President proposed the establishment of national farmer advisory committees for every commodity or group of related commodities for which a new supply adjustment program is planned. Members of the committees would be elected by the producers of the commodities involved or by their appropriate representatives. In consultation with the Secretary of Agriculture, these committees would be charged with responsibility for considering and recommending individual commodity programs.

This system of developing programs in cooperation with commodity advisory committees, subject to approval of at least a two-thirds majority of the voting producers and subject to acceptance of the program by Congress, would permit:

1. Marketing orders for a much wider range of commodities. Marketing orders would be combined with effective production management where essential.

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At present, marketing orders are now authorized for milk, certain fruits and vegetables, tobacco, soybeans, and some specialized crops.

2. Supply adjustment programs through marketing quotas for any agricultural commodity for which quotas might be most effective in achieving our goals. Quotas might be authorized either in pounds, bushels or bales, in addition to production from individual farm acreage allotments.

3. Greater flexibility in supporting producer income, in keeping with the competitive and international position of the commodity, the nature of the supply adjustment needed, and economy to the taxpayer. There should be authorization for compensatory payments as well as commodity loans, commodity purchases, diversion programs, incentive payments, and export payments as circumstances require. Payments in kind should be authorized in cases where producers prefer such payments and the goal of reducing available stocks makes payment in kind feasible.

These are truly pioneering steps for agriculture.

But the President is taking or recommending other significant steps. Among them are actions for new, expanded or re-directed programs:

1. To improve distribution and nutrition at home. We have already increased the quantity and quality of our surplus food distribution to the needy, reaching 2 million more people with an enriched diet. We are launching pilot food stamp programs in eight areas around the U. S. President Kennedy also proposed an expansion of the school lunch program, and extension and improvement of the special school milk program for which existing authorization expires June 30.

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2. To improve nutrition among needy peoples abroad. This Administation already has asked the Congress to authorize an additional $2 billion for this calendar year to permit the sale of our abundant farm products to foreign countries for their currencies. This program would be carried out under Title I of Public Law 480, the Agricultural Trade Development and Assistance Act. The President also urged authority to extend and expand the Agricultural Trade Development and Assistance Act for five years.

3. To improve research, especially to expand the search for new and better uses of food and fiber.

4. To expand our exports of agricultural products for dollar sales.

5. To encourage farmers to organize and operate cooperatives. The President recommended legislation to reaffirm and protect the right of farmers to act together through their cooperatives in the processing and marketing of their products, the purchasing of supplies, and the furnishing of necessary services.

6. To redirect and intensify our efforts in those areas where farms are predominantly in the lowest income group. Here entire communities have suffered severe economic damage. The Area Redevelopment Bill, now before Congress, is needed by farmers as urgently as it is needed in cities and towns.

7. To liberalize and extend the lending operations of the Farmers Home Administration, to provide under more liberal terms the credit required to store more grain on the farm, and to administer the Rural Electrification Administration in accordance with the original intent of that program.

8. To step up our programs for the conservation of soil, water, and forest resources.

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The general public as well as farmers, whose incomes would rise, would benefit directly from adoption of the President's program for agriculture. Consumers would be assured of an adequate supply of agricultural products at fair and stable prices. It would gradually decrease the cost of the farm program. It would insure the millions of jobs in industry that are involved in producing goods the farmer buys by restoring the farmer's purchasing power and contributing to a growing and healthy economy.

The alternative to such a sound farm program is not merely a weakened and substandard rural economy; it is a weakened nation.

III

Let us now turn our attention to the critical emergency at hand. We have in government loan and inventory stocks currently about three billion bushels of feed grains. This represents an investment of more than $4 billion dollars, and a threat to the entire feed grain and livestock industry. Ultimately, it threatens the consumer as well.

The emergency feed grain program enacted yesterday by the Congress and signed by the President marks the turning point away from the feed grain buildup and towards a new day for the American farmer.

When President Kennedy signed the feed grain bill, he assured the Nation that a sound farm program is to be a permanent part of the New Frontier. This program is an important first step. Congress gave us good legislation, the kind we fought for.

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It is an emergency program -- a one-year program -- but it can do more than merely "hold the line". It can benefit the individual farmer while it benefits the entire Nation. The program can accomplish four things:

1. Help increase farm income.

2. Help assure the consumer of a continuation of fair and stable prices for meat, poultry and dairy products.

3. Reduce ultimate costs to taxpayers by about $500 million.

4. Prevent further buildup of the feed grain surplus and possibly reduce it.

I used the words "can accomplish" deliberately when I listed the four things the program is capable of doing.

I used those words because what the program actually accomplishes depends primarily on the extent to which you and all other feed grain growers participate in it. The fate of the President's far-reaching farm program may well hinge on the success of the emergency feed grain program.

You have a workable program, a practical program, to turn the tide and start to get on top of the feed grain surplus.

And the urban public, whose Congressmen helped farm Congressmen to enact this program, is watching to see how well agriculture uses this first real opportunity to bring production into line with demand.

I believe that the greatest danger to the success of this program would be a general lack of understanding of the way it works. It is hard for me to believe that farmers would stay out of the program hoping to take deliberate advantage of their neighbors who do participate. If there are any who thus would

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seek to profit by their neighbors' efforts, I would remind them of the inaugural words of the President:

"Ask not what your country can do for you. Ask what you can do for your country."

If any non-farm groups oppose this program because of a vested interest in feed grain surpluses and declining farm incomes, I invite them to re-read those challenging and stirring words in the President's inaugural message.

To the members of State and Community ASC committees, I wish to emphasize you have a vitally important job of helping all growers to understand the emergency feed grain program and what it can do for them. Give them the facts, and I'm confident the great majority of them will decide to participate.

I appeal to you, also, to explain the program to your friends in town -- to your bankers, farm suppliers, your merchants,and to the businessmen who buy your products. You need their support, and you will have it when they fully understand the program.

I am depending heavily on you who represent the State Extension Services to use your full and competent resources to help explain the program as quickly as possible to all people.

Every Department of Agriculture employee should have a working knowledge of the program, to enable him to answer questions asked by both farmers and city people.

The time is short. Spring officially arrived last Monday, but feed grain planting time already had arrived in the southern part of the country.

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Soon it will be planting time for corn in the States you represent -- States which last year produced four out of every five bushels of corn grown in the entire Nation.

Because of your great production of corn -- three and a half billion bushels out of the 1960 national total of four and a third billion bushels -- you have a vital interest in making the program work.

You also have a big stake in the livestock industry. A tremendous amount of the feed you grow is turned into pork, beef, milk, poultry, and other animal products. The total supply of feed grains this marketing year is at a record high. Further increases in the supply of feed grain could bring about a chaotic expansion in hog, poultry and other livestock production. Wide swings in grain prices and livestock production in the past have proved costly to both producers and consumers.

I will not attempt to give you the details of the 1961 emergency feed grain program. You are getting those in your workshop meetings. I will stress only a few of the major points.

The program is voluntary. The producer decides whether he wishes to participate. There are no quotas. The program applies to all field corn and to sorghum for grain, fodder and silage.

To participate, a grower will divert 20 to 40 percent of his 1959-60 acreage of corn and grain sorghum to soil-conserving uses.

In return, the cooperating grower becomes eligible for price supports on corn and sorghum grain and for an attractive payment on each acre diverted, up to 40 percent of the acreage he used for those crops in 1959-60.

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Up to half of the estimated total payment for a farm may be made in advance -- that is, as soon as possible after a producer signifies that he will cooperate in the program. This advance payment will help with current production expenses without the use of additional credit. This and the final payment will be made in negotiable certificates redeemable in corn and sorghum grain or cash.

The support price for corn in any county will be 14 cents more a bushel than it was in that county in 1960. The support price for sorghum grain will be established similarly. The national average corn support price will be $1.20 a bushel. The cooperating farmer also will be eligible for support price on oats, rye and barley.

The non-cooperator will forego these benefits. He will not be eligible for price support on corn or grain sorghum or any other feed grain of the 1961 crop. He will receive no payment under this special program. It will not be safe for him to count on any increase in market prices. On the contrary, as cooperators receive payments which represent grain from CCC stocks, this grain becomes available for market and farm use in competition with grain from 1961 production. It works like this: Cooperators who wish to receive the cash equivalent of grain at the support price may ask the Commodity Credit Corporation to act as their agent in marketing their grain. As agent for the producer, CCC will advance the payment to the producer in cash through the county ASC office and subsequently market the grain. The non-cooperator will get nothing but the market price, whatever it may be. The non-cooperator is not only ineligible for feed grain price support and payments but foregoes the usual price benefits of a production adjustment program as Government stocks of grain are marketed.

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NOTE: The non-cooperator should not expect to build up his acreage base for future programs either. The Department of Agriculture will strongly recommend to the Congress that any legislation involving establishment of base acreages for production adjustment should give no advantage to producers who fail to cooperate in the 1961 feed grain program.

The emergency feed grain program for 1961 is practical and sound. Its provisions are attractive.

The program is now in your hands. Take it to the County and Community ASC Committees. Help them take it to all feed grain growers. Give growers the facts they want for intelligent decisions. Enlist the support of your friends in the towns and cities.

I know you can count on the help of the Cooperative Extension Service. I pledge you my full support, and that of the entire Department of Agriculture.

For the sake of the farmers and ranchers of the country, for the sake of all taxpayers and all consumers, we -- all of us together -- must make the emergency feed grain program work in 1961. I am confident we can.

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USDA 847-61

U.S. Department of Agriculture
Office of the Secretary

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It is a privilege to address you on this occasion, which marks the 50th anniversary of the beginning of the broad program of social action of the National Council of Jewish Women. For 50 years you have fully and repeatedly demonstrated your keen interest in human welfare and in the extension of democracy both in your home communities and worldwide.

I come here to congratulate you on being a positive force for good. I am honored that you have invited me to address you in this important meeting.

I want to talk with you about a subject that is very much on my mind these days -- because it may have a decisive and permanent influence on whether or not we survive as a free people. I do not say those words lightly. I mean them precisely. I believe the policies and programs that are being established and that will be established in this country during the next few years may well decide the course of world history during the remainder of the twentieth century.

One of those policies -- one of the most important -- concerns the use of food and fiber -- the use of our agricultural abundance. The right use of our abundance can shape the future of the world. It can carry mankind into a new Age -- an Age of Plenty -- and with it an Age of Peace and of freedom.

But the mis-use of our abundance could contribute to such a mis-shaping of the world as to return mankind to the Age of Scarcity -- and with it an Age of Hate and of slavery.

The question boils down to this: HOW CAN WE BEST USE FOOD FOR PEACE?

Address by Secretary of Agriculture Orville L. Freeman before National Council of Jewish Women, Pittsburgh, Pa., March 23, 1961, 7:30 p.m., (EST).

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I think it particularly appropriate to discuss this question before you of the National Council of Jewish Women, because the first genuine large-scale "food for peace program" that history records was the program of Joseph in Egypt. In the seven plentiful years during which the earth brought forth food in great abundance, Joseph laid up grain in the cities of Egypt, gathering it until its quantity seemed almost as unlimited as the sands of the sea. And then when the years of dearth came and all the land was famished and the people were crying for bread, Joseph opened the storehouses not only to the Egyptians but to those who came from all countries -- because the famine was so great in all lands.

This was using food for peace, because as one of the writers of antiquity has said, "A hungry people listen not to reason, nor cares for justice, nor is bent by any prayers." And, of course, that is true. Hunger leads naturally to anger, which engenders disorder, which results in pillaging and violence -- the very opposite of peace.

As Egypt in Joseph's day was the land of abundance, so the United States is the land of abundance in our day -- largely because of our agriculture.

The fact that we have agricultural abundance -- and especially the ability to produce in what seems to be ever increasing abundance -- makes a Food for Peace Program possible.

The fact that there are still many areas of the world where the need for more food and more fiber is painfully urgent -- makes a Food for Peace Program necessary.

Over the face of this earth, most of the people get their living directly from the lands and the forests. Yet each night half or more of the human family go to bed malnourished.

We in the United States average 3,220 calories per person per day -- considerably more than good nutrition requires. In many other countries the reverse is true. In Latin America the standard established for health and physical activity is 2,500 calories per day. But the average intake in Bolivia is estimated at 1,880, in Ecuador 1,935, in Peru 2,040.

In the Far East the minimum standard is 2,300 calories per day. But in Pakistan the intake is only 2,030 -- in India 2,050. Since the average diet is below the minimum standard, many persons must have much less than the minimum for health and normal physical activity.

What makes these diets even worse is that, generally speaking, they are poorly balanced. In Pakistan nearly three-fourths of the calories are provided by grain products, principally rice. Such a diet, not balanced by proteins, fats, vitamins, and minerals, can result in all sorts of nutritional diseases -- beriberi, anemia, dropsy, and others.

Many of the world's people, in short, live in a nutritional twilight zone. They have food enough to exist on but far too little to thrive on.

Because their worn-out bodies lack strength and resistance, they fall easy prey to disease. Because of malnutrition, they don't have the energy, the drive, the initiative for economic development and social progress. The human engine needs vitamins and minerals to activate it, much as our cars need spark plugs.

They don't intend to go on this way -- carrying this burden. People in the newly developing nations have awakened to the hope that their long unsatisfied basic needs can be met. One way or another, with us or without us, they intend to raise their standards of living.

This can be the world's hope of progress -- or it can be a terrible threat of violent upheaval.

It can spell opportunity -- but it can also end in catastrope.

The world struggle today is not solely, or perhaps even primarily, one of military power, or of defense posture, essential though these are to our survival. The struggle is also ideological -- a struggle of ideas -- of images -- a struggle which looks as though it may go on for a long time.

The battleground is that half or two-thirds of the world which is gripped by poverty -- where malnutrition is ever present and the threat of starvation is seldom far removed.

The battleground is in parts of Central and Latin America where the average per capita income is estimated to be only about $40 per year -- and parts of Asia where the average per capita income is about $70 per year -- and in Africa and elsewhere.

The communists are working with remarkable zeal to project an image of themselves as intensely concerned with the downtrodden wherever they may be. They portray themselves as the purveyors of the better life -- the sworn and undying enemies of oppression, poverty, and hunger.

And they are formidable foes -- let us make no mistake about that. They are dedicated -- disciplined -- and dead sure that they are going to win the uncommitted peoples to their side.

They hold out the bait of a better life and seek to tie it up with their political theories.

We must show that the better life the communists picture is already achieved in our land and can -- and will -- be extended throughout the free world.

Food, therefore, has become a weapon of diplomacy.

Food is persuasive.

Food is power.

And because food from the time of God's promise to Abraham to the present day has been the symbol of the better life, it can be a decisive element in the ideological struggle.

That is why Food for Peace is necessary.

Some people say, "Yes, of course. But we've been doing everything possible to use our agricultural abundance to good advantage. We can't feed the world alone."

To them, we answer, "We've not done enough. We can do more. We must. Our survival as a free and prosperous people may depend on it."

Surely, I do not want to minimize the accomplishments of the past. On the contrary, those accomplishments are among our advantages in the present ideological struggle.

Much of the world has not forgotten that after World War One our food shipments helped save millions from starvation. The name of Herbert Hoover, who directed that relief operation, is still widely revered. Out of his experience Mr. Hoover said something that we must not forget. "The first voice of war is guns, but the final voice in making peace is food."

Much of the world remembers UNRRA -- the United Nations Relief and Rehabilitation Administration -- which did such a mammoth job of relief after World War Two under the direction of Fiorello H. LaGuardia. "Remove hunger," LaGuardia said, "and you have removed the main cause of war among nations."

And much of the world knows that it was largely due to the productivity of the American farmer and the generosity of the people of the United States that the past decade was the first decade in modern history to be free of a major famine.

It is because the world knows and remembers these things that the words of President Kennedy's Inaugural Address rang like a bell of hope touching the hearts and searching the souls of men in every corner of the earth.

"To those peoples in the huts and villages of half the globe struggling to break the bonds of mass misery," he said, "we pledge our best efforts to help them help themselves, for whatever period is required -- not because the communists may be doing it, not because we seek their votes, but because it is right."

We must make good on that pledge. We must use our abundance to lighten the load of suffering humanity. Where human need exists, abundance unused is abundance abused.

Most of our national food sharing efforts of the past have been relief operations -- meeting emergencies or rehabilitating the temporarily distressed economies of various countries. Now we must do more. We must help the world's agriculture to provide a minimum adequate diet -- a healthful diet -- a balanced diet.

How shall we do this?

I don't pretend to have all the answers, but I am prepared to make a few suggestions.

First, let us think of abundance in positive, not negative, terms.

Second, let us make a careful study of world food requirements and of what we can do to help the world meet them.

Third, let us view food for peace not as an emergency year-to-year operation but as a long term task. And let us enlist for the duration.

Fourth, let us tackle the job with traditional American imagination and boldness.

Fifth, let us view our abundance in perspective -- as part of a massive social, economic, health, and welfare drive toward an Age of Plenty for all the world's people.

Let me expand those five points.

By being positive I mean this: We must stop thinking of abundance in terms of "surplus disposal" -- as something to be got rid of and kept from happening again. Abundance is a dynamic instrument of health, progress, and peace.

It is somewhat like a rapidly flowing river. We can regard it as a dangerous stream, to be fenced off, feared, and avoided. Or we can view the river of agricultural abundance as a source of immense power, to be harnessed, to be used for humanity.

President Kennedy, as you know, has repeatedly expressed his determination that our agricultural capabilities shall be used vigorously and constructively to "narrow the gap between abundance here at home and near starvation abroad."

He has made Food for Peace an immediate White House concern. The Director of the Food for Peace Program, my good friend George S. McGovern, reports directly to the President. The staffs of the Departments of State and Agriculture and the International Cooperation Administration laboring in this field work in cooperation with George McGovern. This is part of the positive approach to abundance.

Another urgent requirement is to learn more about foreign needs. A task force of specialists in international food and agriculture is developing a world food budget.

In some countries national diets, on the average, exceed minimum food standards. These countries include the United States, Canada, Australia, New Zealand, the Soviet Union, and the areas of Eastern, Western, and Mediterranean Europe.

On the other hand, total calories and total proteins, especially animal proteins, are very low for the populations of Western Asia, Africa, the Far East, Mainland China, and large parts of Latin America.

The details of the world food shortage are extremely complicated, partly because the kinds of foods people eat are widely varied. But if we took all these varied foods and translated their nutritional value in terms of a few foods, here is the picture we would get, based on preliminary results of the survey.

The world food shortage for 1962 is roughly equivalent to 35 percent of U.S. annual milk production -- plus 40 percent of U.S. annual dry bean and pea production -- plus 120 percent of U.S. annual wheat production.

Putting the shortage in these terms is, of course, greatly oversimplifying it. But it does give a rough measure of the need.

This does not mean that if the world produced these extra quantities of milk, dry beans and peas, and wheat the food deficit would automatically be eliminated. Many other factors are involved. Some people, for example, have to be taught how to use wheat before they know what to do with it. There are also difficulties in distribution and other complications.

My third point concerns the need to take a longer view in our food assistance programs. Millions of persons abroad will continue to require our food assistance for years to come. Instead of year-to-year programming, we should plan systematically, country by country, for several years ahead, to pin-point requirements and our ability to help meet them.

Fourth -- the bold, imaginative approach. Agricultural exporting can be -- and should be -- a bold venture. There is pioneering to be done -- new frontiers to be explored -- in this field. We know how to convert vast quantities of our excess grains into animal protein foods, such as poultry meat, for use in foreign feeding programs. We must find ways of rapidly teaching peoples who now have very little animal protein in their diet how to apply this knowledge -- how to convert corn and protein meals into poultry meat, thus introducing new balance into their diets and new energies into their bodies. Perhaps food supplies from the U.S. can be used fairly extensively as actual payment to workers on large foreign economic development projects. Perhaps the fine programs of our voluntary agencies can be improved so as to move larger amounts and varieties of U.S. foods to the needy abroad.

Using our food to promote peace involves much more than donations or subsidized sales of food to foreign buyers. Regular dollar sales of food and fiber also promote better living and peace. One way to improve our ability to sell more for dollars in world markets is by emphasizing better quality. The experience of recent years has provided far more knowledge of export requirements than is now being put into practice. U.S. agriculture is capable of doing a better export sales job. We must do more to tailor our production of farm products to the quality and other requirements foreign purchasers want.

And fifth, let us view food for peace as part of a massive effort to lift world living into that Age of Plenty now made possible by the tools of abundance and progress. Last week at his reception for the Latin American diplomats, President Kennedy put food for peace in just that context.

This requires the realization that we of ourselves cannot fill the world food gap alone. If all of our stored up abundance of food--which incidentally is mostly wheat and corn--were made available to people with inadequate diets, it would not close the food gap for even one year. What we must do, therefore, while using our abundance to help fill the gap, is to assist other nations to improve their own systems of food production and distribution. A good start has already been made in this direction in some countries.

Newly developing countries have been aided in establishing irrigation and other farm development projects, highways, railways, harbors, airports, and power projects. Large amounts of foreign currencies accepted as pay-

ment for U.S. food have been lent or granted for these projects. In some cases, U.S. food itself has been used to pay part of the wages of workers engaged in agricultural and other economic development. And more than 1,000 U.S. technicians are working with technicians of newly developing countries in programs to expand agricultural progress.

Although these past efforts have been substantial, more must be done--and more will be done.

But the most important element of all--and I return to it again and again--is to impress on ourselves here at home and on people in every part of the earth, the wonderful tool for a better life we have in our U.S. agriculture.

In the rivalry between the free and the communist worlds, agriculture is one area in which we have clear, demonstrated, incontestable superiority. We are so accustomed to thinking of the United States as the outstanding industrial nation in the world that we sometimes forget that we are also, and by far, the world's greatest agricultural nation. The remarkable thing is that this is true even though only 8.7 percent of our people now live on farms.

In the Soviet Union, by way of contrast, the corresponding figure is about 50 percent. Yet, this 8.7 percent of our population provides enough food and fiber not only to meet the needs of every man, woman, and child in the United States, but in addition vast quantities for export. Of course, saying that our farmers <u>produce</u> enough for all our people doesn't mean that everyone <u>has</u> enough. But in those households where food and the other essentials of life provided by agriculture are lacking, the reason is not too little production but too little income or other causes.

Few of us appreciate the way in which our increasing agricultural productivity has released manpower for industrial and other occupations.

Only one person in 12 in our U.S. labor force is engaged in agriculture. By way of contrast again, one out of every three in the Soviet labor force is in agriculture.

I emphasize this point because it is so very necessary to an understanding of agriculture's contribution to society and its potential for the future. So let me add these further facts. The recent pace of progress in our agriculture has been almost unbelievable . A century ago one farm worker produced enough food and fiber to support less than five persons. In 1940, 80 years later, he was producing enough to support less than 11 persons.

Today he produces food and fiber for 25 persons. In two decades he has nearly tripled his output per hour of work. Nothing like this has ever been known in the world before. It is one of the significant and important breakthroughs of human history.

As a result of this remarkable forward surge, one-third fewer U.S. farmers produce food and fiber for one-third more people than 20 years ago--and provide them with better diets for the smallest proportion of their income that can be found anywhere in the world.

This has profound meaning for the entire world. What an impact it can have in lands where, to produce enough food to live on half or more of the workers must be engaged in farming, to learn that in the U.S. one farmer provides enough for 25 persons! What an impression it can make on the peasant in Asia or Latin America to learn that this amazing productivity is the result of freedom!

Nothing impresses Russian visitors to this country more than our farms and our supermarkets--especially when they get some idea of food prices and quality in terms of real wages.

Just to illustrate, here are some comparisons based on State-prices of food in Moscow and prevailing retail prices in New York City as of August 1959.

To buy a loaf of rye bread took 6 minutes' work here--9 minutes in Russia--$1\frac{1}{2}$ times as long.

To buy a pound of potatoes took 2 minutes here--7 minutes in Russia--$3\frac{1}{2}$ times as long.

To buy a pound of beef rib roast--21 minutes here--82 minutes in Russia--about 4 times as long.

To buy a quart of milk--$7\frac{1}{2}$ minutes here--31 minutes in Russia--4 times as long.

It took 6 times as much work to buy an ounce of tea in Russia as it did here--8 times as much work to buy a dozen eggs--9 times as much work to buy a pound of butter--and 21 times as much work to buy a pound of sugar.

These comparisons provide some idea of the true measure of the success of our agriculture--a success story, by the way, that is still in the making.

But, paradoxically, agriculture's success is the cause of agriculture's distress.

Let me digress on this subject for just a moment.

Those who have been producing abundance have not been getting the reward they deserve for their ability and productivity. During the past decade, there has been a steady and continuous decline in farm income. The incomes of our farm families are lower relative to the rest of our population than they have been at any time since the 1930's.

We cannot in the years immediately ahead expand consumption enough to absorb all of our increased agricultural productivity. Therefore, we must devise programs to help farmers adjust production to demand, while at the same time assuring consumers an adequate supply of farm products at fair and stable prices.

Last week President Kennedy presented to the Congress his recommendations to solve the farm problem. I urge you to study his message. It is important that you understand it.

Without going into details, I want to point out that the President proposed to give farmers the tools they need to manage their own enterprise. Producers of any commodity for which a program is needed would select representatives to consult with the Secretary of Agriculture in formulating that program. Then all producers of the commodity would have an opportunity to accept or reject the proposal. If accepted by a substantial majority of the producers, the proposed program would then be submitted to the Congress. If within 60 days either the Senate or the House disapproved, the program would not go into effect.

This, we feel, would be democracy in action. It would give farmers an opportunity to balance production with demand--would reduce the cost

of storing excess farm commodities--would, in short, enable the farmer to join the city dweller in the march toward economic health.

Side by side with such a program, however, we need to expand the use of abundance.

Thus far I have been discussing ways to use our agricultural abundance abroad. The biggest and most important uses of abundance, however, are, as always, to be found right here at home.

Despite our abundant food supplies, one person in ten in the United States is believed to have an inadequate diet. More than 5 million needy persons are currently receiving food donations from the Federal Government. Before President Kennedy issued the first executive order of his Administration doubling the quantity and increasing the kinds of donated food available, many of them were living largely on cornmeal mush, flour and water gravy, boiled rice and powdered milk.

We have improved these diets by adding such foods as canned pork and gravy, dry beans, dried eggs, and peanut butter to the donations.

We are also investigating the use of food stamp plans to improve nutrition in low income families. Pilot projects being set up in eight selected areas of the country should be operating in May.

Some persons are undernourished not because of low income but for other reasons. Millions of teenagers especially have poor eating habits. It has been said that the best fed member of U.S. society is the baby and the poorest fed is the teenager. But there are diet deficiencies also among adults. We have a job to do in nutritional education.

We must, in short, make better use of abundance both at home and abroad--at home to help build stronger bodies for a stronger America--abroad to help foster good will, good health, and economic progress. Both endeavors promote peace.

Because Food for Peace is in a special way a people to people operation, everyone of you can rightly view it as your program. We want your ideas. We ask your support. We need your help.

The way our national abundance is used will surely do much to shape the kind of world we live in. Let us use it to help the impoverished rise above the bare subsistence level of nutrition--to provide for them a little more strength--a little more humanity--a little more "life."

Patience is not a remedy for privation. And the underprivileged of the world are fast running out of patience with a system that provides too much to starve on but not nearly enough to live on.

So let us welcome abundance and use it--for health, for strength, for peace.

USDA 824-61

U.S. Department of Agriculture
Office of the Secretary

That great Indian leader, Mahatma Ghandi, once said, "To the millions who have to go without two meals a day, the only acceptable form in which God dare appear is food." Although Ghandi passed away some years ago, the hunger that he wrote about so feelingly is still a grim fact of life, not only in India, but also in many other parts of the world.

How fortunate we are in the United States. Here, we have developed the most efficient agricultural production plant in all history. Our strong agricultural capability has abolished, for us, the fear of hunger and famine. Our agriculture, moreover, has given us the means of helping to meet urgent food needs elsewhere.

That brings me to the principal question I want to examine here today: "Have we, up to now, done the best possible job of associating the productive capability of American farms with world hunger?"

Before going into that question, however, I would like to tell you about some of the basic farm program objectives on the domestic front. These domestic goals tie rather directly into the overall problem of providing an increasingly larger volume of food to the world's needy.

U. S. Farmers Deserve Our Thanks

One thing essential to overall farm program development is recognition by the urban public of agriculture's outstanding accomplishment. In his recent

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Address by Secretary of Agriculture Orville L. Freeman before the monthly luncheon meeting of agricultural attaches of foreign embassies in Washington, at the U.S. Department of Agriculture, Washington, D.C., March 28, 1961, noon (EST).

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farm message to the Congress, President Kennedy referred to the production job this way, "In no other country, and at no other time in the history of our own farm economy, have so many people been so well provided with such abundance and variety at such low real cost."

These efforts of our farmers have not always elicited praise. Until recently, American agriculture has neen depicted as a sick industry, a burden on the taxpayers, a symbol of failure. What colossal nonsense! If our agriculture is a "failure", I am sure that Khrushchev and Mao wish that their own agricultures will "fail" - - and the sooner the better.

Don't forget that most foreign visitors to this country are eager to visit our supermarkets. I can understand that. It is overwhelming to see fruits and vegetables stretching off into the distance--mountains of canned, and packaged foods on every hand--meats, poultry, dairy products, bakery products, and other items for sale in wide variety. I wonder, sometimes, what visitors from the Iron Curtain countries really think about our system of government and the accomplishments we have made under it.

Yes, farmers have done much to keep our standard of living high. But let's not forget that agficulture functions in other ways to keep our economy strong. Agriculture is our largest industry. There are 12 times as many people in agriculture as in the steel industry--and 9 times as many as there are in the automobile industry. Farming furnishes employment to more people than are in the steel, automobile, public utility, and transportation indstry combined.

These figures only begin to tell the story. In many small agricultural communities in Minnesota, Iowa, Georgia, Texas, and other States, it is axiomatic that "as agriculture goes, so goes the prosperity of the area."

As I say, we have tended to overlook all this in recent years. I hope we can alter that tendency. Our farmers deserve a better "press" than they have been getting.

Agriculture Has Imbalances

American agriculture also deserves a better economic "break," a better share of the general prosperity that has come to our nation. Farm incomes are lower, relative to the rest of the population, than at any time since the 1930's.

Agriculture is at a disadvantage, economically, for three basic reasons:

First, individual producers do not have it in their power to adjust production to current demand. Agriculture is the victim of its own efficiency. It can produce more than can be marketed at prices which give farmers a fair return.

Second, distribution is faulty. The world as a whole needs more food and fiber; the United States has surpluses of food and fiber; but supply and demand forces have not, to date, been in equilibrium.

Third, farm costs have risen faster than farm prices. This cost-price squeeze has put the farmer at a great economic disadvantage.

These imbalances will not be corrected easily or quickly. Yet there are those who think that some magic formula can be produced that will instantly solve these problems. "Cut price supports; let the law of supply and demand work." "If you are producing too much stuff, tighten down on output." "Export your surpluses; all you have to do is find the ships." "Just leave the farmer alone." You have heard all this. Oddly, each bit of advice may be the proper answer--at some particular time for some particular commodity. The simple truth is that there is no single farm problem and no single solution. Each commodity requires a somewhat different approach.

A number of "tools" already are available to the Secretary of Agriculture. These include price supports, production adjustments, marketing agreements and orders, conservation payments, and the like. The President has asked Congress to add to this "kit". Among authorities requested are marketing orders for more commodities; marketing quotas--in quantitative terms--for more commodities; and compensatory payments for more commodities.

There are other features to the President's program. It reaffirms and protects the right of farmers to act together through their cooperatives. It calls for legislation to assist in the development of better levels of living, better income opportunities, and better communities in rural depressed areas. It asks for legislation to step up permanent soil conservation practices and to increase efforts for small watersheds. It envisages administrative and legislative recommendations aimed at insuring adequate forest resources. It puts more emphasis on marketing, nutrition, and utilization research.

Producers of any commodity for which a program is needed would select representatives to consult with the Secretary of Agriculture in formulating that program. Then all producers of the commodity would have opportunity to accept or reject the proposal. If accepted by a substantial majority of thhe producers, the proposed program would then be submitted to the Congress. If within 60 days either the Senate or the House disapproved, the program would not go into effect. This plan, we feel, is democracy in action.

Domestic Distribution Programs Expanded

Certainly, in this land of plenty nobody should go hungry. Therefore, part of the President's program involves increased shipments of food to the needy in this country.

We have already stepped up the quantity and quality of food being distributed. As a matter of fact, the amount of food distributed to each needy family has been doubled. Pilot food stamp programs are being launched in eight areas.

The school lunch program is being expanded.

The special school milk program is being extended and improved.

These are programs which serve human needs here at home, and which utilize our abundance in ways that are right because they are best and because they are in our own self-interest.

These same reasons apply to the efforts we can make to serve human needs among people abroad. We know that millions of the world's people are

undernourished. We also know that the United States has the most efficient agricultural plant in all history.

How can this tremendous productive capacity be associated more closely with food needs of the world?

We have barely begun to explore the ways in which our abundance can advance the cause of peace and freedom around the globe.

Up to now, our efforts to help the world's needy have consisted largely of the disposal of surpluses piled up as "by-products" of our domestic farm programs. A Food-for-Peace Program based on one country's plans for surplus disposal has many flaws, however. For one thing, it always raises the question: --"What happens to the program when and if all the surpluses are disposed of?" Because this question has remained unanswered, there has been no crystallization of long-range food policies in this country up until recently. Lack of an answer also has meant that our food shipments have been viewed abroad, by foreign recipients and by friendly foreign competitors alike, as expedient and temporary. Uncertainties have resulted and have worked against an orderly, long-range approach to problems that must be solved on a long-range basis.

President Kennedy has repeatedly expressed his determination that our agricultural capabilities shall be used vigorously and constructively to "narrow the gap between abundance here at home and near starvation abroad." To that end he has taken a direct interest in the program. The Director of the Food for Peace Program, George S. McGovern, reports directly to the President.

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The staffs of the Departments of State and Agriculture and the International Cooperation Administration working in this field cooperate with Mr. McGovern. This is part of the positive approach to abundance and its use in coping with world hunger.

An urgent requirement today islearning more about foreign needs. A task force of Department of Agriculture specialists is developing a world food budget. Preliminary data show that the world food shortage for 1962 is roughly equivalent to 35 percent of U. S. annual milk production--plus 40 percent of U. S. annual dry bean and pea production--plus 120 percent of U. S. annual wheat production. This, of course, is taking all the varied foods consumed by the world's people and translating them in terms of a few foods without considering eating habits or social custom. The comparison does not mean that U. S. production can or should be the means of filling the world food gap.

Food for Peace, a program of "shared abundance," involves joint planning with other countries--supplying as well as recipient countries. U.S. farmers are able and ready to join with other surplus-producing countries for a cooperative attack on the problem.

Established commercial trade has been and will continue to be protected as programs are worked out to assist the needy with American abundance. Use of private trade channels will be emphasized. We won't let our shipments disturb markets of producers in recipient countries.

Donations will be emphasized, not only on a nation-to-nation basis--particularly for use as payment for labor on public work projects--but also

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on a people-to-people approach, through voluntary agencies. Stress will be put on the build-up of national reserves in the food-deficit countries. It is hoped that overseas school lunch programs can be extended. Expanded use of long-term credit will be explored. Barter will be re-appraised.

Of course, the United States cannot fill the world's food gap alone. All of our supplies of wheat and corn, if made available to people with inadequate diets, would not close the food gap for even one year. What the agriculturally advanced nations must do, therefore, while using abundance in the best way possible, is to help other nations improve their own systems of food production and distribution. Some countries already are making headway in that direction.

Newly developing countries have been aided in establishing irrigation and other farm development projects, highways, railways, harbors, airports, and power projects. Large amounts of foreign currencies accepted as payment for U. S. food have been loaned or granted for these projects. In some cases, U.S. food has been used to pay part of the wages of workers on such projects. Many U. S. technicians are helping newly developing countries expand their agricultural programs.

In Conclusion

A big part of any program is the vision, the belief that the program can be made to work. I am firmly convinced in my own mind that some of the more pressing problems of agriculture can be solved--if we really try to solve them.

Our very human tendency is to emphasize the difficulties that surround the task of eradicating hunger. These difficulties are real; they are numerous. But we must look at the opportunities while being practical about the difficulties. These opportunities are great--in political, humanitarian, and business terms. We will face up to them. In so doing, we have the opportunity to write one of the greatest chapters in all the world's history.

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U.S. Department of Agriculture
Office of the Secretary

I feel honored to have the privilege of speaking to this National Water Research Symposium. May I congratulate the National Association of Soil Conservation Districts and the National Reclamation Association for their foresight in organizing this very impressive event.

I think you will understand when I say that I feel a little hesitant in talking about conservation to such a group as this. Some of you were probably actively concerned with conservation before I was born. And I know very well that when the Senate confirmed me as Secretary of Agriculture it did not thereby confirm me as an authority also on conservation.

Nevertheless, I do have some basic ideas on the subject. I firmly believe that conservation is something that happens not only to resources -- conservation happens to people. Conservation is for people. It has both intimate and far-reaching effects upon their prosperity -- their jobs -- their diets -- their health -- their recreation -- their culture -- in short, their lives.

As Governor of Minnesota I saw this many times. A year or so ago I went with a party of about 25 Minnesotans who share a deep interest in conservation programs on a three day tour of conservation installations and projects around that State. While on the southern leg of the tour we drove through farm areas where some of the tree farms this organization has helped to form are located.

I was amazed to learn that with the help of some very simple management practices, one farmer had sold nearly $2,000 worth of timber from a hardwood tree lot on his farm. He will do this once every five years or so. This section of his farm until very recently returned nothing of value.

Now there is a specific case of what I mean in saying that conservation happens to, and is for, people.

You have assembled an impressive team of land, water, and other resource experts, some of them members of the USDA. Their job is to go into the technical aspects of how best to use that drop of water. My task as Secretary of a Department with paramount responsibility for much of the nation's renewable natural resources is to discuss in broad terms the wise use and conservation of soil, water, and related natural resources.

The theme of your meeting -- "Better Use of Every Drop of Water Through Research," is most appropriate. It stems from a growing awareness that water is scarce, and that in many regions lack of water has become a limiting factor to further agricultural and industrial development.

Most people think of water as something to drink and as something to bathe in. They would be surprised to learn that only 10 percent of the water used in this country is employed for domestic purposes.

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Fifty percent is utilized for agriculture and 40 percent for industrial purposes. When we realize that 9 out of every 10 gallons of water used in this country enter into the production of food, fiber, and manufactured products, we begin to see water as a key factor in further economic development as well as in the production race with the communist nations. Our watersheds have become a vital element in our national defense.

President Kennedy has made it very plain that we shall attack our natural resource problems with renewed vigor. The challenge he has placed before us, and specifically before the Congress and the Executive Departments of Government in his messages on Natural Resources and on Agriculture, is loud and clear.

We are a fast growing nation. Our national population is rising at the rate of 340 persons per hour, 8,000 per day, 3,000,000 per year. This is a faster rate than that of any major industrialized nation and faster than many underdeveloped countries. Our families today are larger than they were half a century ago -- 3.2 children as against 2.4 in 1910. As of noon today our estimated population was close to 183,000,000. If present trends continue, just 39 years from now we will have to provide for twice as many people as we now do.

But the demand for water is growing even faster than population. Now in 1961 we use about 300 billion gallons of water per day. In 1980 -- only 19 years hence -- we will require 600 billion gallons of usable water per day.

That's the size of the problem.

The renewable resources conservation job is tremendous. Congress has charged the Department of Agriculture with the major share of the leadership required to get it done.

Fortunately, our renewable natural resources are also vast.

The land area of the 50 States comprises almost 2.3 billion acres. Prior to the time Alaska and Hawaii joined our Nation as states our land area was about 1.9 billion acres.

We have, in addition to urban lands, 460 million acres of farm crop land, 630 million acres of grazing lands, 500 million acres of commercial forest land, and 155 million acres of non-commercial forest land. Everyone of these roughly 1,750 million acres is to some degree watershed land.

The responsibility of the Department of Agriculture in providing conservation leadership encompasses more than half of all these lands.

We will work through every appropriate channel to achieve a common goal of abundant water, stable soil, and plentiful renewable resources.

Now what is it going to take to get the job done? The detailed answer to that question you probably know far better than I. But there are, I believe, three elements that are absolutely essential.

First, we must approach this problem with an over-all point of view. Water, soil, agricultural crops, forage, timber, wildlife, and outdoor recreational opportunities are all members of a closely knit resource family. What happens to one affects the others for better or for worse.

The day when the forester, the biologist, the soil conservationist, the agricultural extension agent, the hydrologist, or the recreation planner could go it alone is long gone. The only way the conservation job can be done is by cooperation, understanding, exchange of information and genuine teamwork between State, Federal, and private land resource people working in all areas of conservation.

We must look at conservation in the light of the interdependency of all programs, whether they be in water, forestry, game and fish, soil conservation, mineral development, or recreation.

Second, we must impress upon the citizenry that if conservation is for people, then people have a responsibility to be for conservation.

Resource management, therefore, is an inescapable responsibility of each citizen, as well as of the community, the State, and the Federal Government.

If we, as a heavily industralized nation, are to build a civilization which is in harmony with nature, we will have to take from the earth the pure, the useful, and the valuable and return to it the pure, the useful, and the valuable.

The third essential is that we shift without delay from the remnants of the old concept of CONSERVING resources to the new concept of BUILDING and IMPROVING resources.

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Not too many years ago when Gifford Pinchot succeeded in illuminating President Theodore Roosevelt with the magnificent concept of conservation, the primary concern then was to protect natural resources from the destructive wastefulness of people.

The maturing of thought and action in conservation since that time is apparent in the growing recognition that conservation's primary challenge today is to protect man from the consequences of entrapping himself in a self-built jungle of concrete and brick.

What began as a program to protect the forests and the land has now become a program to protect the quality of our way of living.

And if we do not encourage and foster this concept, the grim appraisal of General Omar Bradley may well be realized.

"Year after year," he wrote after a penetrating appraisal of his country, "our scenic treasures are being plundered by what we call an advancing civilization. If we are not careful, we shall leave our children a legacy of billion dollar roads leading nowhere except to other congested places like those they left behind. We are building ourselves an asphalt treadmill and allowing the green areas of our nation to disappear."

We in the Department of Agriculture pledge that we will do our part in the immense job of building up natural resources adequate to all foreseeable needs.

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We will revitalize the nation's small watershed program to get more rapid action in meeting future water needs.

We shall accelerate the work of our Soil Conservation Service in providing basic land use practices on farm crop lands.

We shall take strong and positive steps to achieve better management of small privately owned woodlands.

We shall rejuvenate the Forest Service's long-range program for the development and improvement of our National Forests.

We shall help develop a sound and full body of scientific data to guide us in soil, water, forest and range conservation programs. While the Department's resource research program is a vigorous one, basic research data in this field still fall short of needs. I have directed that we review the requirements and fill in the gaps. This review is now under way.

These are some of the things government can do. But I do not need to tell you government cannot do the job alone. The task of building our resources is a task for everyone -- the farmer, the rancher, the woodland owner, the agriculture extension agent, the forester, the soil conservationist, the biologist, the hunter, the fisherman, the hiker, the industrialist, the city man -- for all the millions of Americans who use our natural resources and who conscientiously accept the responsibility of leaving to their children a land better, richer, and more livable than they found it.

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COMMENTS

ON THE PRESIDENT'S FARM PROGRAM RECOMMENDATIONS
by
Orville L. Freeman, Secretary of Agriculture

I. A PROGRAM IN LINE WITH THESE RECOMMENDATIONS WOULD BE OF REAL ADVANTAGE TO THE GENERAL PUBLIC AS WELL AS TO FARMERS

A. It would assure consumers an adequate supply of agricultural products at fair and stable prices.

There is a tendency to overlook the fact that, in contrast with manufactured goods, farm products are produced under many unpredictable and uncontrollable conditions, such as new crop and livestock diseases and the uncertainties of the weather. All society is concerned with the goal of a plentiful supply of agricultural products, as basic essentials of life. The entire public is concerned that food should not be scarce in order that prices to the producer may be adequate. Because drought, floods, and other uncertainties can seriously impair the quantities produced, it is in the interest of consumers that we have an assurance of abundance even at the risk of having an over-aburdance when conditions are most favorable.

Thus a sound farm program is essential to assure consumers an adequate supply. Consumers would share with farmers gains from lower costs of production, but they would not ask farmers to produce under conditions of sub-standard incomes, amounting -- as they do today -- to 77¢ per hour. Consumers would be the principal beneficiaries of constantly improving quality of food and fiber. Standards of living of both consumers and farmers would rise.

B. It would gradually decrease the cost of the farm program, a cost that will continue to mount if we do not change our present course.

C. It would insure the millions of jobs in industry that are involved in producing goods the farmer buys by restoring the purchasing power of the farmer and contributing to a growing and healthy economy.

II. THE PROGRAM IS BASED ON CONDITIONS THAT CHARACTERIZE OUR FARM ECONOMY.

A. A revolutionary technological advance has tremendously increased the output from farm land and labor.

Output per man-hour has increased three-fold in the past 20 years and almost doubled in the past 10 years. From about the same amount of cropland farm output has increased 60 percent in the last 20 years and 25 percent in the last 10 years. The rate of increase in farm output per hour of labor since 1947-49 is three times the rate of increase for non-farm workers. This increase in productivity is likely to continue.

B. We cannot, in the years immediately ahead, expand consumption enough to absorb all of this increased agricultural productivity.

The elasticity of the demand for food is relatively low. For most farm products a reduction in price increases consumption only a little. Likewise, as consumer income increase, more is spent on such things as transportation and recreation but there is a relatively small increase in the amount of food consumed. Our rate of increase in productivity is greater than that of our population.

Programs to increase the consumption of food and fiber among the low income groups in the U.S. can absorb some of the increased production as we adopt constructive policies toward that end. Likewise, constructive policies for increased utilization of our agricultural abundance in support of our foreign policy, as Food for Peace and as assistance in the development of underdeveloped areas, can also absorb some of this increased production, and in time can absorb much more.

But a realistic analysis of the potential of programs to increase the consumption of our agricultural products at home and abroad indicates, that, even with an expansion of such programs to the greatest extent consistent with sound and progressive ideas and policies, we will not be able to thus utilize the full productive capacity of agriculture in the years immediately ahead. As world standards rise and world incomes grow, the future may well challenge our agricultural productivity and know-how, and a sound American agriculture must be ready for that challenge.

Today, however, American agriculture faces the existing problem of expanding output without a corresponding expansion in demand. Our productive capacity now exceeds demand by six or eight percent.

C. Agriculture, alone among major segments of our economy, lacks the economic organization and tools with which to deal with the problem of adjusting production to demand.

Most other industry in America has also greatly increased its productivity. Technological improvements, new machines and automation have immensely increased our capacity to produce manufactured goods; but increased productivity in this field does not lead to unmanageable gluts on the market or demoralized prices because the corporations that produce these commodities are able to control their output and the prices they receive. Government has provided industry with an effective tool--the modern corporate structure--with which it can adjust production to demand.

Labor has likewise been provided with an effective tool--collective bargaining--whereby it can protect itself against demoralizing wage cuts even when the supply of labor may exceed the demand.

But millions of farmers, acting individually, can not effectively influence the total output or the price of the products they sell.

III. PROGRAM AIMED AT EQUALITY OF OPPORTUNITY

The basic purpose of the Administration's program is to correct this basic inequality of economic opportunity under which the farmer, almost alone in our economy, operates within an economic organization that provides him with no tools, no methods, by which he can adjust his output to demand and thus assure himself the opportunity to achieve parity of income. It would give farmers more real influence in determining means to increase their incomes.

Existing government programs, effectively administered, can support farm income to some extent. With regard to some programs they have fulfilled this function. But their shortcomings are well known, and there is widespread agreement, that, as farm legislation exists today, it does not offer an acceptable permanent program. The proposed legislation would enable farmers to participate in adjustment programs with regard to all commodities for which such programs might be needed, and to undertake programs to improve the quality and promote the sale of their products. It would provide flexibility enough to meet varied and changing conditions.

IV. THE NEW PROGRAM WOULD GIVE TO THE FARMER THE TOOLS WHEREBY HE COULD ACT, THROUGH GOVERNMENT, UNDER ACCEPTED DEMOCRATIC METHODS, TO MANAGE HIS OWN ENTERPRISE.

In commodities where programs are needed the farmers would, in the first instance, select representatives who would consult with the Secretary of Agriculture in formulating programs. In the second instance, once such a program is formulated, all producers of the commodity under consideration would have an opportunity to vote. Only with producer acceptance by a substantial majority would it go into effect.

If it is suggested that once such programs were put into effect individual farmers would be "restricted" or "controlled" in the operation of their own farms, the following answers should be conclusive:

-- The restriction that is imposed by the low, substandard farm incomes that prevail in the absence of a sound farm program limits the "freedom" of farmers to enjoy the good things of life much more seriously than a limit on the quantity of products he is entitled to market if he is to reap the gain of a higher income.

-- In the production of those commodities that are now "controlled" under existing programs there exists a very high degree of acceptance, which would not be the case if farmers felt themselves unduly restricted.

-- In return for the limitations to which farmers would conform only after they, themselves, had reached decisions by the democratic method of voting on proposed programs --- in return for these limitations the farmers would gain more real influence over the economic consequences of their farming enterprise, more real influence over their opportunity to earm fair incomes, than they can have without such programs.

V. THE NEW PROGRAM WOULD RAISE THE LEVEL OF THE FUNCTION AND RESPONSIBILITY OF THE CONGRESS, AND OF THE AGRICULTURAL COMMITTEES IN THE CONGRESS.

As the new programs formulated under these proposals get under way, powers that the Congress has now granted to the Secretary of Agriculture to fix support levels, prescribe acreage allotments, establish marketing agreements and orders, and others, would revert back to final approval by the Congress.

This would add to the responsibilities of the agriculture committees in the Congress the function of careful review of each such program, -- many of which are now put into effect by order of the Secretary of Agriculture without any such review.

Thus, while the Congress would be relieved of the onerous burden of a detailed analysis of a multitude of separate proposals, commodity by commodity, season after season, under countless and fragmented pressures; it would have an increased responsibility for considering broad programs and policies in their entire implications, and for the continuing and final authority to determine what programs shall become the law of the land.

VI. OTHER GAINS

This program to enable farmers to adjust their production and marketing to amounts needed would be flexible enough to meet changing conditions and needs. As we expand our utilization of agricultural commodities at home and abroad, through effective programs to use our agricultural abundance to best advantage to relieve hunger and promote peace, production could readily be geared to the new demand, both in quantity and in the nature of the commodities produced.

Meanwhile we can gradually reduce the cost of storage of stockpiles in excess of reserves essential for emergencies. We can also emphasize efforts to promote dollar exports of agricultural products.

The income supporting and supply adjustment phases of our program will not diminish -- but will rather encourage -- our concern for farmers in low production, marginal, depressed areas, for whom we shall seek either the kind of guidance and assistance that will enable them to farm efficiently, or guidance, training and employment assistance that will enable them to find other economic opportunity outside of farming.

All of these programs will be planned in terms of a long-term effort for wise conservation and utilization of basic agricultural resources of soil, water and forests that will take into account future needs for recreation as well as economic growth.

U.S. Department of Agriculture
Office of the Secretary

Secretary of Agriculture Orville L. Freeman said today that consumers should and will have an important voice in the formulation of new farm programs.

He told a University of Illinois Farm and Home Festival audience that consumer representatives would serve as members of elected farm commodity committees which would develop individual commodity programs under the administration's new farm legislative proposals.

"Whenever it is determined that a program is needed for a particular commodity, at least one member of the commodity committee selected to formulate this program shall be appointed to represent the consumer point of view."

Under the Kennedy farm proposal, producers of any commodity for which a program is needed would select representatives to consult with the Secretary of Agriculture in developing such a program.

The flexibility of the proposed legislation permits the producers to develop any one of many varied programs. For some producers it would involve help to develop procedures to upgrade the quality of the product, for others it would provide marketing assistance and for another producer group it could help develop research on utilization. For commodities in which production is increasing more rapidly than demand, producers could establish machinery to assist them in bringing supply within reasonable balance with current need.

Remarks prepared for delivery by Secretary of Agriculture Orville L. Freeman at the University of Illinois Farm and Home Festival, Urbana, Illinois, April 6, 1961, 3:00 p.m. (CST)

Once the particular program has been formulated, all producers of the commodity would then have an opportunity by a referendum vote to accept or reject the proposal. If a two-thirds majority vote yes, the proposed program then would be submitted for approval or disapproval to Congress before going into effect.

"These new procedures which the President proposed in his Message to the Congress March 16 will make it possible to supply the nation with plentiful agricultural products at reasonable prices and at a return that will be adequate to the producer," Secretary Freeman said.

"We feel that procedures which give the farmers the primary responsibility for developing and guiding farm programs are essential to this goal. The American farmers have so successfully managed our agriculture that today the United States stands unchallenged as the leading agricultural nation in the world. It is now time to provide the tools to manage this productive capacity so as to meet human needs without destroying those people who made it possible.

"But in equipping the farmer with these tools, it is also essential that adequate checks and balances be provided to guard the public interest.

"One such balance would be to maintain the voice of the consumer in the formulation of any program dealing with the farm commodities produced in this country.

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"Another check would be the Secretary of Agriculture with whom the commodity committees would consult in the development of a program for a particular commodity.

"A third check would be the farmers themselves who would vote on any program once it has been formulated. Before the program would be submitted to Congress for its approval, it would require support of a substantial majority of the producers affected.

"The fourth check would be the Congress, the final guardian of the public interest. Before any farm program could be placed in operation, the Congress would have the responsibility of either approving or disapproving the action taken by the producers.

"Theirs would be the final authority, the final judgment. The Congress, however, would not be burdened with the need to legislate on a commodity by commodity basis. It would be free of pressures and of the burden of detailed analysis on many separate programs."

Freeman said the emphasis on consumer needs will be placed in other areas within the Department in addition to consumer participation in program formulation.

"We intend to re-establish a consciousness of the consumer's interest in the day-to-day activities of the Department. This will range from providing staff personnel with the responsibility of representing consumer views to a determined effort to seek greater consumer counseling on the regulatory functions of the Department.

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"Later this month, we shall begin a series of public hearings around the nation to reopen the question of how much additional water should be allowed in smoked hams being marketed from federally inspected packing plants.

"It will be the first public hearing conducted to help better use the regulatory powers which the Department has available for insuring wholesome, unadulterated products. In the future, all hearings on matters which affect the public will be open to the public.

"There is presently in the Department a program to inform housewives all over the nation of those foods which are in plentiful supply and which make the best bargain buy at particular times.

"At times, it appears that the public does not associate consumer activities with the Department -- and in some cases, I suspect the urban family does not even know that the Department provides many consumer services.

"It is important that the public is aware that the Department makes available to them many valuable and useful services. But perhaps the most beneficial service the Department can perform is to insure an abundant and stable supply of food and fiber from the farmers of the nation."

U. S. Department of Agriculture
Office of the Secretary

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A NEW LOOK AT AGRICULTURE

I especially appreciate this opportunity to urge you to take a new look at agriculture because you are leaders in the opinion field, and because I think that there is no economic problem in America today in which we find more faulty emphasis, more outmoded concepts, and less real understanding than we find in current public attitudes toward the nature, causes, and possible solution for our agricultural problem.

I believe that the achievement of an effective solution to that problem requires a much greater public understanding of the factors involved, a more widespread public recognition of the contribution farmers make to our American standard of living, and a more general realization of the implications for agriculture that are inherent in the scientific and technological progress that characterizes our times.

One of the most significant characteristics of our age is the fact that physical, scientific and technological progress is far outrunning social, political and economic change. No recent event has illustrated this fact more dramatically than last week's successful orbiting of a man around the earth. Scientific and technological progress made this achievement possible. But man does not yet know how to use this new power to orbit the earth. Governments of men do not yet know how to control the power that can send tons into space. They have developed no social instruments to control the scientific instruments that now boast such incredible

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Address by Secretary of Agriculture Orville L. Freeman prepared for delivery at the National Press Club, Washington, D. C., April 17, 1961 12:30 p.m.

precision that they can pinpoint targets on the other side of the earth. This social lag represents a dangerous gap, a gap that must be closed if men on earth are to have any hope for security against the destructive power that man himself has created.

But what has this to do with the price of peanuts? Or wheat, or milk, or feed grains -- or the other specific problems with which the Secretary of Agriculture is immediately concerned?

Only this. There is an equally dangerous gap in agriculture. Technical and scientific progress has far outrun social and economic change in agriculture as well as in the conquest of space. The social lag represented by the gap between the abundance of food that we can produce and the extent of hunger that exists in spite of this potential for abundance may -- in the long run -- be far more significant than the gap in space.

True, it is less spectacular, less dramatic. But to men and women and children who are really hungry, bread and milk at hand is more important than a star in the sky. To billions of men and women throughout this world the higher standards of living that can be achieved if we properly use our capacity to produce are of more direct and personal concern than the discovery of other worlds.

It is the awesome responsibility of this generation to close the gap between scientific progress and social progress sufficiently to make our civilization secure. It is the tremendous responsibility of this nation and this Administration to exercise leadership toward closing this gap in every field -- in space, in human rights, and in the task of making the abundance that we can produce available to satisfy human needs. It is

the special responsibility of those of us in the field of agriculture to close the gap represented by our capacity to produce abundantly, on the one hand, and, on the other, our lack of the social and economic organization necessary to both manage and utilize that abundance.

It is in the light of this responsibility, as a part of our overall national responsibility, that this Administration has developed its agricultural policies and programs and formulated the legislation that the President is today recommending to the Congress. We are now pressing forward vigorously with all our resources to achieve these programs, so that we may begin to close that gap without delay.

May I say quite frankly that I believe undue delay would be very serious -- more serious than simply a postponement of the gains that we expect from the new program. In a real sense we are reaching the "point of no return". Delay or postponement now could mean economic disaster. The time is running out.

We can neither ask nor expect an indefinite continuation of programs and policies under which the United States Government pays ever increasing amounts for stockpiles of commodities that threaten to become ever more unmanageable. We can neither ask nor expect that the American farmer will continue to invest his capital, his labor, his skill, and his management ability for a material reward that is shockingly below the national average. Our farmers are the world's most efficient agricultural producers, and their products are the basic essentials of human life. For this efficient production of essential needs they must have an average capital investment, exclusive of the farm home, of $36,000. Yet they receive for their labor an average of about 81¢ an hour.

In achieving its prime purpose of production, American agriculture in this generation has reached a pinnacle of success. It has tripled its output per hour of labor in the past two decades, while industry's output has only doubled. Twenty years ago one farmer produced enough for 11 people, he now produces enough for 25.

Under our system of enterprise and initiative we expect that success will bring an appropriate reward. And this phenomenal success in agriculture has brought its reward. But the reward is to the American consumer, and not to the American farmer. The consumer in America works fewer hours to feed himself and his family than in any other country. He is able to buy a balanced and varied diet for approximately one fifth of his take home pay.

Contrast this with the consumer in other nations. A meal of beef, potatoes, cabbage, bread, butter, milk and fruit for four people can be bought by the average industrial worker in the United States for one hour's wages. In Germany and England that meal would take over two hour's work; in Austria, four hours'; in France, four and one-half hours'; in Italy, over five hours'.

These are facts the American public should acclaim, and for which they should pay tribute to the American farmer for his contribution to our standard of living. Let us give at least as much recognition to this as do our Communist opponents. I saw very little emphasis here on one item in last Friday's reports from Moscow that to me has real significance. In reporting on Russia's new space triumph the wire services quoted Kruschev as saying, "The space flight must not detract the attention of the Soviet

people from other targets, and these include catching up with the United States in the standard of living."

Gratifying as this is, I have already noted that the farmer has not reaped the reward of his success. Quite the contrary. Farm output was 19 percent higher in 1960 than in 1952, but realized net farm income was 19 percent lower. Incomes of farm families today are lower relative to the rest of our population than they have been at any time since the 1930's. During the years between 1952 and 1960 the cost of living exclusive of food rose 15 percent, while the cost of the typical market basket of food increased only 2 percent. During this time the marketing charges associated with that basket of food increased 17 percent -- but the decline of 15 percent in farm prices accounts for the difference.

These facts illustrate that, for the farmer, productive success has paradoxically meant economic distress. And, as if to add insult to injury, the public attitude toward the farmer has come to reflect concepts of surpluses and subsidies rather than the regard we expect for ability, industry, efficiency and successful productivity.

Such erroneous concepts and public attitudes must be changed if we are to get a farm program that meets today's needs before we reach that point of no return.

I should therefore like to note here some areas in which adequate public understanding is most essential.

I.

I have already referred to the need for a recognition of the productive success of American agriculture and the extent of the contribution the farmer thereby makes to our high standards of living. Agriculture in America leads the way to a new age of abundance in mankind's most essential commodities, and as such has achieved a landmark in history more important to human health and happiness than last week's landmark in the conquest of space. This success is the direct result of amazing progress in agricultural science and technology and the farmers' ability to put that progress into practical use.

II.

We need to recognize how this success, in itself, has resulted in economic distress in a society in which we have not yet learned how to live with abundance. Because we are so unaccustomed to an age of plenty we have tried to apply economics of scarcity as we repeated the shibboleths and slogans and phrases that were a part of the "conventional wisdom" of the past, and they won't work. We need to know a little more about agricultural economics to reach a sound and constructive solution of the farm problem.

The public must understand that any realistic solution to the farm problem requires the adjustment of our agricultural abundance to current domestic and foreign needs and demands. We may, in fact we must, increase our utilization of farm products both at home and abroad, and several of the early actions of this Administration have been directed toward that end. The doubling of our direct distribution of food to the needy, our

pilot food stamp programs, and the expansion of our Food for Peace efforts illustrate the determination of this Administration to use fully our abundance of food and fiber. But, even with an expansion of such programs to the greatest possible extent that is consistent with sound and humane ideas and policies, we will not be able, in the years immediately ahead, to expand consumption enough to absorb all of our potential agricultural productivity. Thus we must adjust our abundance. An understanding of the problems of achieving this goal -- as well as of the consequences of not achieving it -- is essential to a sound approach to new legislation.

Both the problems and the consequences stem in a large measure from the inelasticity of the human stomach, and the resulting inelasticity of demand for food. A little too much in the way of food supplies leads to dramatic farm price declines -- hence to a farm income problem. And a little too little in the way of food supplies leads to skyrocketing food prices and a real income squeeze on consumers. This is the food problem so often encountered in wartime.

To cope with these problems in the past, we have imposed price ceilings in wartime, and we place floors under farm prices during periods of surplus. But neither of these measures in themselves effectively corrects the imbalance of supplies relative to the existing demand. Nor can the uncoordinated efforts of several million farm producers correct unbalanced supply situations. Farm price and income gyrations that have resulted in the past have alternately hurt both the consumer and the producer.

Chronically low farm prices in the 1950's did not induce the average farmer to contract production. On the contrary, the average producer

increased his production substantially. Caught up in the technological revolution on the one hand, and rising production costs on the other, the average farmer tried to solve his income problem by increasing his output. He succeeded in increasing his output, but he did not succeed in increasing his income. Government price support operations in the great commodities of wheat, cotton and feed grains held the prices of those commodities at support levels as the government accumulated stocks. The new "third market", the Commodity Credit Corporation, acquired the 6 to 8 percent excess production each year, and held the farm price level some 20 to 40 percent above what it would have been with no programs.

No one liked the program of the late 1950's -- the farmers, because it gave no hope for improved incomes; consumers, because it was wasteful and ineffective; and Congressional leaders and taxpayers, because it was needlessly costly. It was a failure on all these counts because it did not and could not effectively adjust supplies. Supplies outran demand in the 1950's and pushed farm prices down to support levels and held them there.

Every responsible projection made for the 1960's suggests that unless we act supplies will continue to outdistance demand with the same chronic price-depressing effects.

Confronted with this prospect for the 1960's, we must now establish procedures and enact legislation to enable farmer producers to work together to adjust their production to the quantities we can use. The President is therefore proposing legislation that will provide the

tools whereby they can adjust their supplies effectively whenever there is general agreement among them that such a course of action is desirable.

III.

We need to recognize that all the farmer is asking for is equality of economic opportunity.

The farmer is the only basic producer in our economy who now has available to him no means by which he can adjust his production to demand, -- and who therefore has no effective means by which he can influence the economic rewards of his enterprise.

It is absurd, in any consideration of a farm program, to compare the farmer with the small corner merchant.

Perhaps there should be government action for small business, but of a different nature for a different reason. But the farmer, as a basic producer and not a retailer, can be more accurately compared with other basic producers -- such as, for example, the producers of steel. Government has given to such producers the instrument of incorporation, by which they can become large enough to effectively adjust their production to quantities that can be sold profitably.

Government has likewise given to labor the instrument of collective bargaining whereby millions of individuals workers -- who, as individuals, would be even more helpless than the farmers -- can work together to achieve a fair return for their productive activity.

To achieve economic equality, therefore, we propose programs to provide farmers with the institutional machinery for coming together and developing supply adjustment programs, and with democratic methods for approving or rejecting such programs. We would specifically provide safeguards for consumers' interests in this process.

By enacting the proposed legislation the Congress would establish the ground rules and guidelines under which supply adjustment programs would be developed and placed into operation. Then, whenever action is needed with regard to any commodity or group of related commodities, a committee of producers -- including one consumer representative--would be selected to consult with the Secretary of Agriculture to develop and recommend a program of supply adjustment for that commodity. The Secretary would recommend a program based on these consultations. Only after such a program had been approved by the President, sanctioned by the Congress, and approved by a two thirds vote of the producers themselves, would it become binding upon all farmers who choose to produce that commodity. The farmers who serve on these commodity advisory committees would be chosen from nominees designated by farmer-elected county committees and by farm organizations.

Thus, in return for the limitations to which farmers would conform only after they, themselves, had reached decisions by the accepted democratic method of voting on proposed programs -- in return for these limitations the farmers would gain more real influence over the economic consequences of their farming enterprise, more real influence over their opportunity to earn fair incomes, than they have ever had, or can have, without such programs.

The new program would raise the level of the function and the responsibility of the Congress, and of the agricultural committees in Congress. As the new programs formulated under these proposals get under way, many of the powers that the Congress has now granted to the Secretary of Agriculture -- powers to fix support levels, prescribe acreage allotments, establish marketing agreements and orders, and others, -- would require final approval by the Congress. This would add to the responsibilities of the Agriculture Committees in the Congress the function of careful review of each such program, many of which are now put into effect by order of the Secretary without any such review.

Thus, while the Congress would be relieved of the onerous burden of a detailed analysis of a multitude of separate proposals, commodity by commodity, season after season, under countless and fragmented pressures; it would have an increased responsibility for considering broad programs and policies in their entire implications, and for the continuing and final authority to determine what programs shall become the law of the land.

Under the procedures set forth in the proposed legislation programs could be developed to meet different needs and conditions by utilizing a variety of methods, many of which have already proved their usefulness. It would be the responsibility of the commodity advisory committee to adapt those methods to a program that would meet the needs of the farmers producing the commodity involved; and it would be the responsibility of the Secretary of Agriculture to consider, in addition, various intercommodity relationships, potential effects on our economy as a whole, and the national welfare.

IV.

For some commodities the adjustment of supply to demand could be effectively achieved by means of marketing quotas and allotments in terms of quantity as well as acreage. For some commodities programs of marketing orders and agreements could be formulated under which producers could develop research, promotion, higher standards, and quality control, as well as the effective adjustment of supply. Government cooperation in support of farm income could be by means of a variety of methods, but in all cases to be limited to instances where a supply adjustment program is in effect, after consultation with the appropriate advisory committee and after approval by the President and review by the Congress.

A final point that we need to understand to achieve a successful farm program is the extent to which the problems and performance of agriculture are inextricably interwoven with problems of domestic prosperity and economic growth and with those of achieving security and peace in the world.

I believe the American public is becoming increasingly aware of the importance of our agricultural abundance as an instrument in foreign policy. We are stepping up our programs for expanding the export of food and fiber, both for dollars and for foreign currency. We have launched a program to determine just what the world food deficit is. As we increase such efforts, and as we develop means -- in cooperation with other countires -- for the more effective use of greater quantities of agricultural exports, these new and increasing demands on American agriculture will have to be taken into account in the formulation of our agricultural programs at home. This is why an extension and strengthening of our Food for Peace program is an integral part of the agricultural legislation presented to the Congress today.

I have hopes that the American public is beginning to realize how essential a healthy agriculture is to the long-term soundness of our economy. Evidences of this, such as that reflected by the keen observations of the Nebraska banker interviewed in the last issue of the U. S. News and World Report, are encouraging. I am confident that when the non-farm public fully understands how essential a healthy agricultural economy is to its own well being we will get support from cities and towns, as well as from the farms, for the program we propose. And I am confident that, with the cooperation of American farmers, we can achieve an effective adjustment of our agricultural abundance within the framework of this legislation, and thus close the gap between our tremendous productive potential and our ability to manage and utilize it in the best interest of all. It will not be easy, but it can be done.

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U.S. Department of Agriculture
Office of the Secretary

Secretary of Agriculture Orville L. Freeman said today that a preliminary study of the world food deficit just completed is a "necessary first step" toward helping the world's agriculture to provide a "minimum, adequate, healthful, balanced diet for the world's people."

The study report, entitled "The World Food Deficit, a First Approximation," was prepared by a task force comprising members of the U. S. Department of Agriculture, the Office of Food for Peace, the Department of State, International Cooperation Administration, Food and Agriculture Organization of the United Nations, and the Conference on Economic Progress.

Speaking before the Lutheran Brotherhood in the Nation's Capital, Secretary Freeman pointed to the paradox of abundance and want existing side by side. "Can we talk of surplus," he asked, "when one person out of 10 in our own country has an inadequate diet? Is there truly a surplus when perhaps a billion and a half of the world's people suffer from some degree of malnourishment?

"The words of President Kennedy's Inaugural Address, pledging our best efforts to help the underprivileged of the world break the bonds of mass misery," Secretary Freeman said, "rang like a bell of hope touching the hearts and searching the souls of men in every corner of the earth.

"We must make good on that pledge by using our abundance to lighten the load of suffering humanity. Where human need exists abundance unused is abundance abused.

Remarks prepared for delivery by Secretary of Agriculture Orville L. Freeman before Lutheran Brotherhood, Shoreham Hotel, Washington, D. C., April 19, 1961, 7:00 p.m., EST.

"To employ most effectively our ability to produce in abundance, we must learn more about world food needs. Although the Department of Agriculture has been appraising food balances for some countries for 15 years, this is the first time that a comprehensive summary of the world food gap, covering all deficit nations, has been made. A world food budget will serve as a guide to our agricultural operations, including export activities under the Food for Peace Program.

"This preliminary survey reveals that in some countries national diets, on the average, exceed minimum food standards. These countries include the United States, Canada, Australia, New Zealand, the Soviet Union, and the areas of Eastern, Western, and Mediterranean Europe.

"On the other hand, total calories and total proteins, especially animal proteins, are very low for the populations of Western Asia, Africa, the Far East, Mainland China, and large parts of Latin America.

"The details of the world food shortage are extremely complicated, partly because the kinds of foods people eat are widely varied. But if we took all these varied foods consumed by the world's people and translated their nutritional value in terms of a few foods, here is the picture we would get, based on this preliminary survey:

"The world food shortage for 1962 is roughly equivalent to 35 percent of U. S. annual milk production -- plus 40 percent of U. S. annual dry bean and pea production -- plus 120 percent of U. S. annual wheat production.

"Putting the shortage in these terms is, of course, greatly oversimplifying it. But it does give a rough measure of the need.

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"This does not mean that if the world produced these extra quantities of milk, dry beans and peas, and wheat, the food deficit would automatically be eliminated. Many other factors are involved. Long-standing habits of diet, social and religious taboos, government policies, difficulties of distributing food through existing ports and with inadequate inland transportation, lack of storage facilities, and low purchasing power are some of the major complications.

"Other factors which must be considered are the present levels of education and standards of public morality in needy countries, together with the impact of such programs on the domestic economies of the recipient nations and the friendly nations of the world which export food products.

"Nor does it mean that we in the United States of ourselves can fill the world food gap alone. If all of our stored up abundance of food -- which incidentally is mostly wheat and corn -- were made available to people with inadequate diets, it would not close the food gap for even one year. What we must do, therefore, while using our abundance to help fill the gap, is to assist other nations to improve their own systems of food production and distribution."

The survey reveals that the daily diet per person in the United States averages 3,220 calories. This is well above the estimated requirement for the United States of 2,640 calories.

In Latin America, where the standard requirement is 2,500 calories per day, the average daily diet falls short of this level by 117 calories.

In Western Asia, where the standard is 2,400 calories, the average diet falls short by 150 calories.

In Africa the standard is 2,375, the average daily shortage 43.

In the Far East the standard is 2,300, the shortage 200.

In Mainland China the standard is 2,300, and the shortage 100 calories.

(more) USDA 1207-61

Such averages, however, do not begin to tell the real story. Though Latin America as a region has an average daily shortage of only 117 calories, the average diet in Haiti is short by 625 calories, in Bolivia 620 calories, in Ecuador 565 calories, in Peru 460 calories. Actually, 13 of the 20 Latin American nations fall short of the standard, and in nine of the 13, average daily diets fall short by more than 300 calories.

But even in countries where the average diet exceeds the nutritional standard, a large proportion of the population may not be properly nourished. In Brazil, for example, where the average diet includes 2,815 calories, diets in the whole northeast area fall far below this level, as do the diets of many low income people in Rio de Janeiro and other cities. (In the United States, despite our food abundance, it is estimated that one person out of 10 has an inadequate diet.)

Besides being low in calories many diets are deficient in protein content. This is especially true, and particularly as regards animal protein, in the Far East, communist Asia, and Africa.

Of the seven countries of Western Asia, four are deficient in average diets. In Iran and Jordan, the deficits are over 300 calories.

Of the 21 African countries all but three are deficient in calories, proteins, or both.

Of the 13 countries in the Far East, including Mainland China, only Japan is above the standard in calories and proteins.

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"This first report will be followed in coming months by a second report, more thorough, more refined, and taking fuller account of each country's special situation," Secretary Freeman said.

"It is obvious," he continued, "that many of the world's people live in a nutritional twilight zone -- food enough to exist on but far too little to thrive on.

"People in the newly developing nations, one way or another, with us or without us, intend to raise their standards of living.

"The communists are zealously working to portray themselves as the purveyors of the better life -- the sworn and undying enemies of oppression, poverty, and hunger. They hold out the bait of a better life and seek to tie it up with their political theories.

"We must show that the better life the communists picture is already achieved in our land and can -- and will -- be extended throughout the free world.

"Food has become a weapon of diplomacy. Food is persuasive. Food is power. Food can be a decisive element in the ideological struggle."

Calling this a "challenge to brotherhood" Secretary Freeman said, "As Lutherans, as Christians, believing in the Fatherhood of God and Brotherhood of man, we cannot disregard the needs of our fellow human beings around the world.

"We can all take pride in the work of Lutheran World Relief. The USDA makes

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food available to voluntary agencies such as Lutheran World Relief which in turn distribute it abroad. L.W.R. is currently operating in Austria, Chile, Hong Kong, India, Jordan, Korea, Formosa, and Yugoslavia. During this fiscal year Lutheran World Relief is distributing food to 1,689,000 persons. From mid-1952 to date, it has distributed nearly 700 million pounds of food -- principally flour, milk, cornmeal, and rice.

"And we can have some pride in the fact the United States is the world's greatest exporter of food. With the help of special government programs a great deal of food is going to the newly developing nations of the world.

"Under Public Law 480, for example, a shipload of food, mainly wheat or wheat products, leaves the United States every day for India. The wheat going to India (through sales for Indian rupees) is sufficient to provide an additional dozen loaves of bread each year for every one of India's 424 million people."

Though the record of the past is good, more must be done, Secretary Freeman declared.

"As a free people we have a great challenge and responsibility. Using farm abundance wisely is in a special way a people-to-people operation. We want your ideas. We ask your support. We need your help.

"Patience is not a remedy for privation. And the underprivileged of the world are fast running out of patience with a system that provides too much to starve on but not nearly enough to live on."

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USDA 1207-61

U. S. Department of Agriculture
Office of the Secretary

Secretary of Agriculture Orville L. Freeman today urged the Independent Bankers Association to take a "renewed and intensified interest in rural area development."

"This is one of the great remaining frontiers of our nation in our time," he said. "Strengthening these areas -- helping their people to become more productive units of society -- can be one of the most rewarding and profitable tasks of this decade.

"In 1959 about 36 percent of all farm families in the nation had incomes of less than $2,000," Secretary Freeman said. "The amount of underemployment among agricultural workers is presently equivalent to 1,400,000 man-years of unemployment.

"As many of you well know, however, more telling than any statistics is a single visit to a family trapped by the chronic rural recession of recent years. Its home is an unpainted, ramshackle affair; there is no indoor plumbing. The children have inadequate clothing and shoes; their diet is poor. Their father is not lacking in industry, but he is about to lose hope of a better life for himself and his family.

"The chronic problems of rural underemployment and low income have some of their roots in agricultural change. In some places, farms have been consolidated into larger units, and small family farmers have been pushed out of full-time agriculture. In other places, particularly in hill regions,

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Remarks by Secretary of Agriculture Orville L. Freeman before Annual Meeting of Independent Bankers Association, Sheraton-Park Hotel, Washington, D.C., April 21, 1961, 3:30 p.m., EST.

farms are too small and land too poor to support adequately the families which live upon them. In still other areas, agricultural machinery has replaced farm laborers. In general, it takes fewer men today to produce the food and fiber consumed in the United States. In other rural areas, such as parts of West Virginia, Pennsylvania, and southern Illinois, closed or partially shut-down coal mines have created severe unemployment. Many manufacturing industries which also employ rural workers have laid off thousands of employees in recent months. There are not enough jobs to go around in rural America.

"It is no solution to the problem to suggest that underemployed rural Americans migrate to our towns and cities. Some migration will continue to take place. But in the long run the basic emphasis must be placed on developing, to the fullest, the economic opportunities that exist in rural areas."

The Kennedy Administration, Secretary Freeman pointed out, recommended and supported legislation to give aid in the form of loans and grants to depressed areas to help them create new jobs and public facilities. "In the USDA, we have mobilized all our resources to spearhead a vigorous program of rural community improvement," he said.

"Where business is bad, many people get behind in repaying loans, the local bank funds are tied up, all credit gets tight; the very people who can best see the business opportunities of the area and would normally develop these opportunities become powerless to perform their natural function in the economy. On top of this, the areas that have suffered longest from chronic underemployment and poverty receive the first and hardest blows when employment falls off in other places. Typically, the people who lose jobs first in a business decline are those who are least trained and probably last hired, and these are more often than not the people who came from

underdeveloped areas.

"Stimulating industrial development in rural areas," Secretary Freeman said, "will help the entire nation. Forty-five out of every 100 farm operators had nonfarm income in 1959; 36 percent of farm operators got most of their income from off-farm jobs. But we need to provide many more opportunities for part-time work off the farm, and rural industries offer the best answer to the problem.

"As the Washington Post said in an editorial this week, 'From the viewpoint of the Nation as well as that of the cities it would be desirable to slow down this frantic concentration of population in a relatively few large centers. A national policy of decentralizing industrial growth thus seems to be in order. The location of industrial plants in rural areas, where feasible, would serve the double purpose of relieving shaky economies of many small towns while easing the growth problems of the big cities.'

"Agriculture owes a great deal to the banking profession for the financial help, counsel, and understanding it has provided," Secretary Freeman said.

"Time and again, bankers have staked their reputations on the ability of farm families to overcome financial obstacles.

"Farm people appreciate this. They want to continue to depend on commercial banks for many of their credit needs.

"But bankers know that many of our once-prosperous farm communities have been hard pressed in recent years by the cost-price squeeze. Farmers have an average capital investment excluding the farm home of $36,000 -- yet they receive for their labor an average of about 81 cents an hour.

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"In production, our agriculture has reached a pinnacle of success. Two decades ago, the average farm worker produced enough food and fiber to support about 11 persons. Today he produces enough for about 25.

"And U. S. consumers buy a balanced and varied diet for approximately one-fifth of their take-home pay, a smaller proportion than anywhere else in the world.

"Agriculture's success in production has brought its reward -- but to the consumer not to the farmer. To the farmer, productive success has brought economic distress.

"Comparing 1960 with 1952, we find farm output up 19 percent and farm income down by precisely the same figure -- 19 percent.

"In terms of 1947-49 dollars the average person living on a farm had an income from all sources of $830 in 1950 and $828 in 1960. But the average nonfarm person had $1,542 in 1950 and $1,804 in 1960. The total real income of our farm people declined slightly while that of nonfarm people increased by 17 percent.

"The inequity becomes even more apparent when we examine the production and income records of various farm enterprises.

"Contrasting 1947-49 with 1957-60:

"New Jersey egg producers raised their net production per farm 54 percent -- but net farm income dropped 68 percent.

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"Eastern Wisconsin dairy farmers raised production per farm 42 percent -- but income dropped 2 percent.

"Wheat, small grains, and livestock producers in the Northern Plains raised production per farm 16 percent -- but income dropped 28 percent.

"Hog, beef fattening producers in the Corn Belt raised production per farm 36 percent -- but income dropped 28 percent.

"Farmers have been subsidizing consumers. Yet, within the past few weeks I've read charges that farmers are people who have chosen 'to farm and complain,' that the farmer is a 'kept man' between wars.

"This is a great injustice -- it should concern us all as fair-minded people.

"The farmer is the only basic producer in the economy with no effective means of adjusting production to demand.

"Other basic producers, such as steel, can effectively adjust their production.

"Labor has the instrument of collective bargaining whereby millions of individual workers can cooperate to achieve a fair return to their productive activity.

"All the farmer is asking for is equality of economic opportunity.

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"Farmers, too, need machinery for coming together and developing supply adjustment programs. The Agricultural Act of 1961 would provide this machinery -- along with democratic methods for approving or rejecting farm programs. It would also specifically provide safeguards for consumers' interests.

"We believe the American public is beginning to realize how essential a healthy agriculture is to the long-term soundness of our economy. This is the basis on which we seek support from cities and towns, as well as from the farms, for the program proposed by this Administration."

Urging the bankers to keep their credit services well adapted to agriculture's needs, Mr. Freeman said, "I know my farmer friends in Minnesota liked to discuss their plans and credit needs with bankers who had a real knowledge of what it takes to run a farm."

He stressed the need of bankers being prepared to provide adequate credit to an agriculture that requires increasingly large amounts of capital.

"I know you will continue to assume the maximum practicable responsibility for the financial growth of your communities.

"Keep up the fine working relations that exist between the banks and the Farmers Home Administration.

"And finally, support and participate in the Rural Area Development Program."

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U. S. Department of Agriculture
Office of the Secretary

Secretary of Agriculture Orville L. Freeman said today that initial reports of farmer response to the Administration's feed grain program have been highly favorable.

He said the first survey taken by Commodity Stabilization Service area directors in the 32 States where the program now is in operation indicates heavy farm interest in the program.

"In those States -- especially in the Middle West -- where farmers can now join the program, the number of signups has been very encouraging.

"The reports are preliminary, but in the predominant feed grain area, they indicate that the sign-up should range from 60 to 80 percent of the farmers in such States.

"In these areas, in addition, the large corn producers have been signing up to put the maximum 40 percent of their acreage in the plan."

The Secretary predicted that the results of the program will be interpreted by urban congressmen who supported the program as an indication that farmers are willing to cooperate with one another in voluntary programs.

"The feed grain bill was given heavy support by urban congressmen who now will be considering their position on the omnibus farm legislation now before the Congress partially in light of farmer response to the new program."

The Secretary noted that reports from Southeastern and Midwestern States anticipate signups of from 50 to 60 percent of all farmers in Illinois, from 60 to 70 percent in Iowa, up to 75 percent in North Carolina, about 50 percent in Kentucky and up to 80 percent in South Dakota and up to 90 percent in parts of Nebraska.

Remarks by Secretary of Agriculture Orville L. Freeman before National Federation of Cooperatives, Mayflower Hotel, Washington, D.C., April 25, 1961, 12:15 p.m., EST.

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"This demonstrates that given the opportunity to participate in programs which are designed to effectively adjust farm production while assuring better farm income, the American farmer will cooperate with his neighbor to do so."

Secretary Freeman said the administration omnibus farm bill is an evolutionary answer to a revolutionary problem in that the legislation proposes to adapt techniques and approaches which have grown from past experience and apply them to the needs of the present.

"We cannot check the progress of the scientific and technological revolution which has swept through agriculture in the past 15 years, nor do we propose to try and restrict the efficiency which has resulted.

"But the threat of economic disaster which hovers over the rural areas of our nation as a result of this revolution indicates the need for social and economic tools to enable the farmer to better manage the agricultural enterprise."

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U.S. Department of Agriculture
Office of the Secretary

It is a personal privilege to be with you and to open officially this exhibition of Science Fair Projects selected from area school fairs. This is my first opportunity to see the excellent work you are doing in the Washington area. On behalf of my entire staff I commend you for the quality of your projects selected for exhibition here in the USDA Patio.

Now that we have seen some of your work, we invite you students and teachers to get better acquainted with the kinds of work we are doing, and to use our facilities and services. Our laboratory research -- our experimental farms -- our action programs -- our regulatory functions -- all offer great possibilities for teachers to secure supplemental information and other teaching aids.

Many of you have already discovered and are using some of our materials. The professional employees, both on their own initiative and through their societies, work with you and assist local school science clubs and classes. This three-day exhibit and our meeting here this morning indicate our interest in you.

For the fourth straight year our Organization of Professional Employees in the Department of Agriculture (commonly called OPEDA) is sponsoring this event -- with the assistance of local units of the Soil Conservation Society of America and the American Society of Range Management, and the Entomological Society of the District of Columbia.

As our guests today, you young scientists are going to meet some of our employees and visit some of their laboratores and offices. You are going to get a brief look at a few of the activities in which the Department of Agriculture is engaged. As one of the world's largest employers of scientists and other professional people, the Department has a very real interest in acquainting you with the boundless opportunities that exist here for diverse talents and skills.

Huge as it is, the U. S. Department of Agriculture contains only a tiny fraction of the employment opportunities that exist in agriculture -- the production of our fields and woodlands -- the processing and distribution of commodities -- research programs, State, Federal, and industrial.

Agriculture in the United States has achieved phenomenal success. The primary function of agriculture is to provide food and fiber to meet human needs. And nowhere on earth -- and never in history -- has agriculture met this function so well as it is doing in the United States today.

Our people eat better today and spend less of their income for food than ever in history. And yet you have heard more in your lifetime about agriculture's problems than about its successes. The reason is that, successful as it is in meeting our needs as consumers, farming is not providing incomes comparable to

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Remarks by Secretary of Agriculture Orville L. Freeman at opening of OPEDA Exhibit of Student Science Fair Projects in the Patio, U. S. Department of Agriculture, April 26, 1961, 9:30 a.m. (Besides D.C., high schools from following counties and cities were represented: Va.: Arlington, Alexandria, Fairfax, Prince William, Falls Church. Md.: Montgomery, Prince Georges, Calvert, Charles, St. Marys. Exhibit display dates: April 26-28, 1961).

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those of other parts of the economy. It is a responsibility of this Department to furnish the various segments of agriculture with the leadership necessary to resolve this inequity.

At the same time that consumers are benefiting at farmers' expense from this imbalance in our economy, our national population is rapidly growing. Agriculture will have many more mouths to feed in the years ahead than it has now. Pressures are building up for changes in land use. Good farm land is being diverted into use for homes, highways, schools, churches, supermarkets, and recreational purposes.

Fortunately, new technological frontiers are opening every day in this exciting and challenging agriculture -- new ways of producing -- of processing -- of distributing food and fiber.

Don't let the headlines on rocketry and missiles blind you to the wonderful opportunities that exist for exciting careers in agriculture.

Much of our economy is based on agriculture. Farming remains our largest industry -- it employs 12 times as many people as work in steel and nine times as many as in the automobile industry. It employs, in fact, more people than steel, automobiles, public utilities, and the transportation industry combined. Moreover, a very large proportion of raw materials going into our national economy comes from our fields, pastures, and forests. One of the big challenges of our generation is to protect, improve, and manage those renewable natural resources in such a way that all our national needs and responsibilities will continue to be met.

You have demonstrated the ability to conceive a project, plan and lay out work, persevere in carrying out that work, and communicate the results of your findings successfully.

This scientific approach will help you meet and solve other and larger problems. We need these qualities in agriculture. We hope you'll consider a career in agriculture.

And I know I speak for all professional employees of the Department, wherever they be stationed, when I say that we welcome the opportunity to continue our support of your schools, your administrators, your teachers.

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U.S. Department of Agriculture
Office of the Secretary

It is a pleasure for me to be here with you today, and I appreciate this opportunity to talk with you about a subject which is of vital interest to all.

Your industry has contributed to and shared in the benefits of the scientific and technological revolution which is responsible for helping the American farmer to become the most efficient producer of food and fiber man has ever seen.

Certainly the great diversity of livestock biologics that have come to market since World War II have given us invaluable new weapons with which to fight animal disease. They, like so many of the technical and scientific tools designed for agriculture, have been put to use on a tremendous scale.

The growth of your industry is an apt illustration of this point: Since 1945, the production of these biologics has risen by 13-fold.

What has been true for your industry also is true for the producers of trucks, tractors, fertilizer and all the other tools which increase the productivity and efficiency of the farmer. He has substantially increased the use of these resources per unit of farm output.

While these resources have been drawn upon more heavily, other factors contributing to the total picture of the farming economy have also been changing. Croplands in production and the number of man-hours applied per unit of output has declined.

Address by Secretary of Agriculture Orville L. Freeman at the Animal Health Institute, Mayflower Hotel, Washington, D. C., April 26, 1961, 3:00 p.m., EST.

Farm employment has declined, and so have the opportunities for young people to enter farming. The opportunities to become a farmer have declined as the capital needs to enter farming have increased.

There is another factor which also has changed, and which concerns all of us: As the farmer has increased his productivity, his income has declined. And this has vital portents for you.

For you as businessmen it can affect your pocketbook, because poor customers make for poor sales.

But more than this, it is a situation in which you have a direct responsibility to those you serve. You have participated in the revolution that is changing the living and working patterns of the man you serve, and you now must look beyond the efforts to create more efficiency to the effects of that efficiency.

I believe it is time for those who have provided the farmer with the technological and scientific tools to create the abundance we have today to consider the social and economic tools the farmer needs to use science and technology so that it does not destroy him.

We cannot and should not attempt to halt the innovations which have made the farmer an effective producer, for to do this would destroy the spark and genius which constitutes our will to live. We could no more do this than we could set out to destroy the family farm, for it too contains the spark and genius of life.

Our agricultural technology is one of our most vital resources. The task we face is to make it work for the good of our agriculture and for the economy as a whole. This calls for a continuous program of balanced

research -- in agricultural production to reduce the risks of farming, in new uses for agricultural commodities to build new markets, and in human nutrition to learn more precisely the role of various foodstuffs in health and growth.

In supporting the need for research, I do not accept the almost unspoken assumption that research to produce more efficiently can only result in fewer farmers and larger and larger farms, until the family farm economy is destroyed. The widespread acceptance of this assumption illustrates a most important point for those of us concerned with the needs of agriculture.

I.

I think that there is no economic problem in America today in which we find more faulty emphasis, more outmoded concepts, and less real understanding that we find in current public attitudes toward the nature, causes, and possible solution for our agricultural problem.

One of the most significant characteristics of our age is the fact that physical, scientific and technological progress is far outrunning social, political and economic change. No recent event has illustrated this fact more dramatically than last week's successful orbiting of a man around the earth. Scientific and technological progress made this achievement possible. But man does not yet know how to use this new power to orbit the earth. Governments of men do not yet know how to control the power that can send tons into space. They have developed no social instruments to control the scientific instruments that now boast such incredible precision that they can pinpoint targets on the other side of

the earth. This social lag represents a dangerous gap, a gap that must be closed if men on earth are to have any hope for security against the destructive power that man himself has created.

There is an equally dangerous gap in agriculture. Technical and scientific progress has far outrun social and economic change in agriculture as well as in the conquest of space. The social lag represented by the gap between the abundance of food that we can produce and the extent of hunger that exists in spite of this potential for abundance may -- in the long run -- be far more significant than the gap in space.

It is the awesome responsibility of this generation to close the gap between scientific progress and social progress sufficiently to make our civilization secure. It is the tremendous responsibility of this nation and this Administration to exercise leadership toward closing this gap in every field -- in space, in human rights, and in the task of making the abundance that we can produce available to satisfy human needs. It is the special responsibility of those of us in the field of agriculture to close the gap represented by our capacity to produce abundantly, on the one hand, and, on the other, our lack of the social and economic organization necessary to both manage and utilize that abundance.

It is in the light of this responsibility, as a part of our overall national responsibility, that this Administration has developed its agricultural policies and programs and formulated the legislation that the President has recommended to the Congress. We are now pressing forward vigorously with all our resources to achieve these programs, so that we may begin to close that gap without delay.

May I say quite frankly that I believe undue delay would be very serious -- more serious than simply a postponement of the gains that we expect from the new program. In a real sense we are reaching the "point of no return". Delay or postponement now could mean economic disaster. The time is running out.

We can neither ask nor expect an indefinite continuation of programs and policies under which the United States Government pays ever increasing amounts for stockpiles of commodities that threaten to become ever more unmanageable.

We can neither ask nor expect that the American farmer will continue to invest his capital, his labor, his skill, and his management ability for a material reward that is shockingly below the national average. Our farmers are the world's most efficient agricultural producers, and their products are the basic essentials of human life. For this efficient production of essential needs they must have an average capital investment, exclusive of the farm home, of $36,000. Yet they receive for their labor an average of about 81¢ an hour.

In achieving its prime purpose of production, American agriculture in this generation has reached a pinnacle of success. It has tripled its output per hour of labor in the past two decades, while industry's output has only doubled.

Under our system of enterprise and initiative we expect that success will bring an appropriate reward. And this phenomenal success in agriculture has brought its reward. But the reward is to the American consumer, and not to the American farmer. The consumer in America works

fewer hours to feed himself and his family than in any other country. He is able to buy a balanced and varied diet for approximately one fifth of his take home pay.

Contrast this with the consumer in other nations. A meal of beef, potatoes, cabbage, bread, butter, milk and fruit for four people can be bought by the average industrial worker in the United States for one hour's wages. In Germany and England that meal would take over two hour's work; in Austria, four hours'; in France, four and one-half hours'; in Italy, over five hours'.

II.

The success of American agriculture has resulted in economic distress in a society in which we have not yet learned how to live with abundance. Because we are so unaccustomed to an age of plenty we have tried to supply economics of scarcity as we repeated the shibboleths and slogans and phrases that were a part of the "conventional wisdom" of the past, and they won't work. We need to know a little more about agricultural economics to reach a sound and constructive solution of the farm problem.

The public must understand that any realistic solution to the farm problem requires the adjustment of our agricultural abundance to current domestic and foreign needs and demands. We may, in fact we must, increase our utilization of farm products both at home and abroad, and several of the early actions of this Administration have been directed toward that end. The doubling of our direct distribution of food to the needy, our pilot food stamp programs, and the expansion of our Food for Peace efforts illustrate the determination of this Administration to use fully our abundance of food and fiber. But, even with an expansion of such programs

to the greatest possible extent that is consistent with sound and humane ideas and policies, we will not be able, in the years immediately ahead, to expand consumption enough to absorb all of our potential agricultural productivity. Thus we must adjust our abundance. An understanding of the problems of achieving this goal -- as well as of the consequences of not achieving it -- is essential to a sound approach to new legislation.

To cope with these problems in the past, we have imposed price ceilings in wartime, and we place floors under farm prices during periods of surplus. But neither of these measures in themselves effectively corrects the imbalance of supplies relative to the existing demand. Nor can the uncoordinated efforts of several million farm producers correct unbalanced supply situations. Farm price and income gyrations that have resulted in the past have alternately hurt both the consumer and the producer.

Chronically low farm prices in the 1950's did not induce the average farmer to contract production. On the contrary, the average producer increased his production substantially. Caught up in the technological revolution on the one hand, and rising production costs on the other, the average farmer tried to solve his income problem by increasing his output. He succeeded in increasing his output, but he did not succeed in increasing his income. Government price support operations in the great commodities of wheat, cotton and feed grains held the prices of those commodities at support levels as the government accumulated stocks. The new "third market", the Commodity Credit Corporation, acquired the 6 to 8 percent excess production each year, and held the farm price level some 20 to 40 percent above what it would have been with no programs.

No one liked the program of the late 1950's -- the farmers, because it gave no hope for improved incomes; consumers, because it was wasteful and ineffective; and Congressional leaders and taxpayers, because it was needlessly costly. It was a failure on all these counts because it did not and could not effectively adjust supplies. Supplies outran demand in the 1950's and pushed farm prices down to support levels and held them there.

Every responsible projection made for the 1960's suggests that unless we act supplies will continue to outdistance demand with the same chronic price-depressing effects.

We must establish procedures and enact legislation to enable farmer producers to work together to adjust their production to the quantities we can use. The President has proposed legislation that will provide the tools whereby they can adjust their supplies effectively whenever there is general agreement among them that such a course of action is desirable.

III.

We need to recognize that all the farmer is asking for is equality of economic opportunity.

The farmer is the only basic producer in our economy who now has available to him no means by which he can adjust his production to demand, -- and who therefore has no effective means by which he can influence the economic rewards of his enterprise.

It is absurd, in any consideration of a farm program, to compare the farmer with the small corner merchant.

Perhaps there should be government action for small business, but of a different nature for a different reason. But the farmer, as a basic producer and not a retailer, can be more accurately compared with other basic producers -- such as, for example, the producers of steel. Government has given to such producers the instrument of incorporation, by which they can become large enough to effectively adjust their production to quantities that can be sold profitably.

The programs we propose would provide farmers with the institutional machinery for coming together and developing supply adjustment programs, and with democratic methods for approving or rejecting such programs. We would specifically provide safeguards for consumers' interests in this process.

By enacting the proposed legislation the Congress would establish the ground rules and guidelines under which supply adjustment programs would be developed and placed into operation. Then, whenever action is needed with regard to any commodity or group of related commodities, a committee of producers -- including one consumer representative -- would be selected to consult with the Secretary of Agriculture to develop and recommend a program of supply adjustment for that commodity. The Secretary would recommend a program based on these consultations. Only after such a program had been approved by the President, sanctioned by the Congress, and approved by a two thirds vote of the producers themselves, would it become binding upon all farmers who choose to produce that commodity. The farmers who serve on these commodity advisory committees would be chosen from nominees designated by farmer-elected county committees and by farm organizations.

Thus, in return for the limitations to which farmers would conform only after they, themselves, had reached decisions by the accepted democratic method of voting on proposed programs -- in return for these limitations the farmers would gain more real influence over the economic consequences of their farming enterprise, more real influence over their opportunity to earn fair incomes, than they have ever had, or can have, without such programs.

The new program would raise the level of the function and the responsibility of the Congress, and of the agricultural committees in Congress. As the new programs formulated under these proposals get under way, many of the powers that the Congress has now granted to the Secretary of Agriculture -- powers to fix support levels, prescribe acreage allotments, establish marketing agreements and orders, and others, -- would require final approval by the Congress. This would add to the responsibilities of the Agriculture Committees in the Congress the function of careful review of each such program, many of which are now put into effect by order of the Secretary without any such review.

Thus, while the Congress would be relieved of the onerous burden of a detailed analysis of a multitude of separate proposals, commodity by commodity, season after season, under countless and fragmented pressures; it would have an increased responsibility for considering broad programs and policies in their entire implications, and for the continuing and final authority to determine what programs shall become the law of the land.

Under the procedures set forth in the proposed legislation programs could be developed to meet different needs and conditions by utilizing a

variety of methods, many of which have already proved their usefulness. It would be the responsibility of the commodity advisory committee to adapt those methods to a program that would meet the needs of the farmers producing the commodity involved; and it would be the responsibility of the Secretary of Agriculture to consider, in addition, various inter-commodity relationships, potential effects on our economy as a whole, and the national welfare.

IV.

For some commodities the adjustment of supply to demand could be effectively achieved by means of marketing quotas and allotments in terms of quantity as well as acreage. For some commodities programs of marketing orders and agreements could be formulated under which producers could develop research, promotion, higher standards, and quality control, as well as the effective adjustment of supply. Government cooperation in support of farm income could be by means of a variety of methods, but in all cases to be limited to instances where a supply adjustment program is in effect, after consultation with the appropriate advisory committee and after approval by the President and review by the Congress.

As Secretary of Agriculture I am also keenly aware of the need to revitalize rural communities. We must use every way we can find to build buying power in the trade areas of rural America. We must make cash registers on Main Street ring more often.

The people of rural areas must build more broadly based economic structures. Greater enterprise starts at homes in local groups and organizations.

Nobody in Washington can substitute for local initiative and nobody in Washington should. The spark and momentum must and can only be provided by the enlightened, effective, and determined efforts of rural people themselves. However, local people cannot do this big job with their own resources alone. They need additional tools; tools that can be supplied only by the Federal Government.

High priority on the President's legislative list is the Area Redevelopment Bill, upwards of half of which is directed to rural areas. Its enactment will provide additional tools for the job we have to do.

A final point that we need to understand to achieve a successful farm program is the extent to which the problems and performance of agriculture are inextricably interwoven with problems of domestic prosperity and economic growth and with those of achieving security and peace in the world.

I believe the American public is becoming increasingly aware of the importance of our agricultural abundance as an instrument in foreign policy. We are stepping up our programs for expanding the export of food and fiber, both for dollars and for foreign currency. We have launched a program to determine just what the world food deficit is. As we increase such efforts, and as we develop means -- in cooperation with other countries -- for the more effective use of greater quantities of agricultural exports, these new and increasing demands on American agriculture will have to be taken into account in the formulation of our agricultural programs at home. This is why an extension and strengthening of our Food for Peace program is an integral part of the agricultural legislation now under consideration.

I am confident that when people fully understands how essential a healthy agricultural economy is to the well being of our country we will get support from cities and towns, as well as from the farms, for the program we propose. And I am confident that, with the cooperation of American farmers, we can achieve an effective adjustment of our agricultural abundance within the framework of this legislation, and thus close the gap between our tremendous productive potential and our ability to manage and utilize it in the best interest of all. It will not be easy, but it can be done.

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U. S. Department of Agriculture
Office of the Secretary

Secretary of Agriculture Orville L. Freeman told the American Agricultural Editors' Association today that the nation is fast approaching the 'point of no return' in agricultural problems.

"Time is running out," the Secretary said.

"We can neither ask nor expect an indefinite continuation of programs and policies under which the United States Government pays ever-increasing amounts for stockpiles of commodities that threaten to become ever more unmanageable.

"Nor can we either ask or expect that the American farmer shall continue to invest his capital, his labor, his skill, and his management ability for a material reward that is not only shockingly below the national average but substantially below any accepted American standard for a minimum wage."

The people of the United States face two alternative situations with respect to agricultural problems, Secretary Freeman said.

"If American farmers are given some assurance of relatively favorable prices and incomes in the 1960's, and if they have a sound program for adjusting production to demand, we will have a highly productive and flexible agricultural plant -- one capable of responding to any foreseeable food production emergency. This is the kind of an agriculture we want.

"But, in the absence of such a program, the consequences could be disastrous.

"Farmers could, in the absence of such a program, use their productive

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Remarks by Secretary of Agriculture Orville L. Freeman before The American Agricultural Editors' Association, Shorham Hotel, Washington, D.C., April 28, 1961, 12:00 noon., EST.

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capacity indiscriminately. In that event, if support programs were continued, the burden on the Federal budget would become intolerable, and the stockpiles of surplus completely unmanageable. Or -- and more likely -- the public would refuse to continue such supports, and prices and incomes would be driven down so low that results could be catastrophic. Millions of farmers, their incomes depressed below subsistence level, would swell the ranks of the unemployed, would crowd already crowded areas of our cities, seeking jobs. And many of them would be neither trained for jobs or adjusted to city life. The economic problem would be complicated by the social problem."

Such a development, the Secretary said, would be likely to end in higher food prices to consumers and the breakdown of the family farm system in favor of a corporate type agriculture controlled by outside capital. Hired hands would do the work that is now done by farm operators. Costs of management, supervision and labor would go up while relative efficiency would decline. With the family farm squeezed out and replaced by a corporate type of agriculture, there would soon follow supply control that would result in high prices without regard for the public or consumer interest.

"We deplore the collectivization of farms in a part of the world, and we would encourage land reform in those other areas where huge land holdings have -- like the communist collective farms -- proved so inferior to our family farm economy. How ironic it would be if we allowed that family farm economy, that has proved its superiority socially as well as economically, to be destroyed for want of the tools it needs to meet conditions of today.

"There is an old saying, 'He who would eat the kernel, must crack the shell.' If we as a nation are to enjoy the kernel of a highly productive and flexible agriculture, we must crack the shell of public misunderstanding which has kept the nation from coming to grips with agriculture's problems."

USDA 1354-61

Office of the Secretary of Agriculture

Washington, May 15, 1961

Statement by Secretary of Agriculture Orville L. Freeman:

A number of misconceptions regarding the agricultural program presented to Congress by President Kennedy are being given wide currency throughout the country.

In the interests of clarity and accurate public understanding of the program now before Congress in the Agricultural Act of 1961, I want to comment briefly on certain of the more important of these misconceptions.

I

The Act does not arbitrarily impose any program on any producer. It does not establish agricultural programs. It sets up procedure and guidelines under which programs can be worked out for all commodities -- if, and only if, producers want them. If the producers of Commodity X are satisfied with present conditions, no program will be initiated. Or if a substantial number of the producers of Commodity X turn down a proposed program it will not go into effect. The bill enables farmers to develop and participate in commodity programs -- it does not make it mandatory for them to do so.

II

The powers of the Secretary of Agriculture to initiate agricultural programs will be diminished rather than expanded under the pending legislation. Existing law gives the Secretary discretionary authority to fix price support levels, prescribe acreage allotments, establish marketing quotas for basic commodities and take a variety of other actions without prior approval by the Congress. Under the administration's bill, the initiative will rest with producers. Every new program for every commodity will be devised in consultation with them, be subject to Congressional approval, and subject to approval by two-thirds of the producers of the commodity concerned. This is scarcely the pattern of "dictatorial" or arbitrary authority.

III

The Act will mean less, not more, of "Government in agriculture." It will give agricultural producers the apparatus they need to tackle problems of supply adjustment on their own initiative through collective decision and action. This is the antithesis of regimentation. The democratic process is called into play at every stage -- in the selection of advisory committees to represent commodity producers in devising programs; in relying on Congress for scrutiny and approval; and in submitting proposed programs for approval by the majority of producers themselves.

It will involve local people directly in the formulation of programs by placing new responsibilities on the elected county agricultural committeemen. In this way it will generate greater local understanding of what is being done, and why. Agricultural programs will not be developed at the top of the pyramid of agricultural leadership; they will be generated on a broad base extending into every township and county.

IV

The legislation provides safe-guards of the public interest, consumers interest, and the interest of agriculture as a whole at every stage of program development. The democratic process will place competent and responsible spokesmen on the commodity advisory committees. In consultation with these committees, the voice of the Secretary of Agriculture will represent the national interest. The programs devised through this process of consultation will be subject to the test of fairness and the public interest through Congressional scrutiny. Any attempt to take unfair advantage of the opportunities presented by the bill would be clearly evident.

V

The Act will cut the cost of Federal farm programs. This is one of the main objectives of the legislation. Programs initiated by producers for the prime purpose of bringing supply into line with actual needs will substantially reduce the present billion-dollar-a-year bill for handling, interest, and storage in Commodity Credit Corporation operations. Until these programs are in operation, no one can make an accurate estimate of savings. At this juncture, citing a savings figure would be as unrealistic as the fantastic cost figure some opponents of the bill have seen fit to cite.

VI

The bill will give the Congress and its agricultural committees a closer, more direct relationship to agricultural programs than they now have. Congress will, in the first instance, establish basic objectives and guidelines for national agricultural policy in the bill itself. Congress will then scrutinize every commodity program proposed by producers in consultation with the Secretary before it is put into effect. Congress will continue to appropriate funds for the execution of each program. Thus, the Congress will have full opportunity to approve, or disapprove, every program in detail. Finally, if Congress is unwilling to accept a program as proposed, it can write and enact one of its own. The allegation that the Act would derogate the responsibility of Congress for agricultural policies and programs is wholly incompatible with both the spirit and the letter of the bill.

VII

The responsibility given to the Secretary of Agriculture for selecting national advisory committee members from a panel of nominees elected by the country agricultural committees is a necessary safeguard of all the interests involved in a commodity program. It is impossible to write into the law a detailed formula for determining the exact size and composition of a commodity committee and expect such a formula to be fair with respect to all commodities. Even among the producers of one commodity, differences in variety, geographical density and other factors make it impossible to apply an inflexible formula for determining how the committee should be composed. This responsibility for selection --- including the selection from nominees of farm organizations --- will enable the Secretary to assure adequate and fair representation for all segments of a commodity group.

VIII

Other important provisions of the Act would:

...Extend and strengthen the Public Law 480 program to permit more effective use of American agricultural abundance in the nation's foreign economic assistance program. Among other things, it would enable the United States to make long-range food supply commitments to underdeveloped countries.

...Strengthen the Government's supervised credit system and make it easier for more farmers to finance farm adjustments, minimize risk, enlarge and improve family farms, acquire farms, make better use of water resources, improve living conditions, finance modern production practices and meet emergency credit needs.

...Extend and strengthen the Great Plains Conservation Program to assist farmers to apply conservation land-use practices in ten Plains states subject to the serious hazard of wind erosion.

...Expand the special School Milk Programs to assure better nutrition for more of the nation's children.

IX

Objectives of the program can be summed up this way:

1. To enable farmers, in cooperation with the Government, to achieve incomes comparable, in terms of labor, capital, and management skills invested, to those received by other Americans.

2. To insure a healthy and proficient agriculture capable of providing an abundance of food and fiber at fair prices to consumers.

3. Assure higher and more stable farm income levels and a sound farm economy which will contribute to national prosperity and economic wealth.

4. To reduce the cost of farm programs to the Federal Government.

5. To use agricultural abundance with maximum effectiveness to meet human needs at home and promote the objectives of American farm policy.

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U. S. Department of Agriculture
Office of the Secretary

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America cannot turn the full power of its resources to the task of making democracy the revolutionary force in the pursuit of peace "unless by deed and by example we restore to full operation the rural cylinder of our national engine," Secretary of Agriculture Orville L. Freeman said today.

The achievement of full prosperity in America's rural areas, he told the National Rural Electric Cooperatives Association conference on rural development, could be the key factor in the world contest with communism.

"In that respect, the major efforts now being launched by the department to stimulate economic expansion of rural communities through the rural development program could be considered more important to the long range future of our nation than any other program now being conducted by the department.

"And it is not surprising -- but all the more commendable -- that the NRECA should be here on this New Frontier in agriculture. This organization has pioneered before, and it can be the sparkplug in this program by turning its resources to the task of bringing new hope to the areas of chronic depression in rural America.

"The task we seek to undertake in this program is well known in its gravity. Today more than 36 percent of all farm families have incomes of less than $2,000 a year. Last year, if the underemployment in our farming regions were converted into terms of unemployment, there would have been 1.4 million persons in rural America unemployed.

Excerpts from the address of Secretary of Agriculture Orville L. Freeman to the National Rural Electric Cooperatives Association, May 15, 1961, Washington Hotel, Washington, D.C., at 12:30 p.m., EDT.

"We must be able to demonstrate to nations which have vast unmet needs far beyond those of our rural areas that democracy can share its prosperity and use its strength to assist those sectors of our economy which cannot match the bargaining power or credit resource of the more affluent and better organized units.

"If we cannot do this for our own people, then what hope is there for the majority of the people in the world that democracy can best satisfy their rising expectations?

"I believe that in the rural development program we have the weapon to wipe away the chronic depression which now enchains many areas, it can lift the curse of underemployment which saps the strength of our rural economy in every area and it takes the first step towards the permanent prosperity of the rural community.

"This program, combined with the freedom of economic choice which the Kennedy farm legislation will provide the farmer, will help restore full freedom of economic opportunity to those who live in rural America.

"As of today, the young people growing up on the farms and in the small rural communities throughout the country do not have full freedom of economic opportunity.

"If they want decent incomes and adequate opportunity to use their talents, they must seek them elsewhere than on the farm or in their home town. The ambitious youths, educated and trained at home, take their talent and leadership,ability to the metropolitan areas unless they are willing to sacrifice economic opportunity for some other compensation.

"Thus, a substantial portion of the nation is less strong because it cannot effectively compete with the economic lure of the metropolitan area, and it grows weaker as the gradual process of attrition continues."

The Secretary in March broadened the department's pilot rural development program in a directive which made it a top priority project to which all resources of the USDA are being directed.

He established a rural development board, consisting of top level representatives of all agencies in the department, which has the responsibility of focussing departmental services on the needs for technical assistance in rural areas and communities.

On May 1, this action was reinforced when the President signed into law the Area Redevelopment Act which provides funds for assistance to depressed rural areas.

Under the terms of this legislation, about $100 million is earmarked for the Department's rural development program to provide low interest credit to help rural areas attract new industry and to expand existing plants.

In addition, the funds can be used to assist local communities to construct and improve community facilities -- such as sewage disposal and water plants -- which are essential for economic growth.

The legislation also provided that the funds can be used to train persons in the chronically low income areas in the skills which will help attract new industry to rural areas.

Secretary Freeman emphasized that the rural development program is based on the principle of close coordination with local authorities. Initiative for projects under the program will come from local groups.

He also stressed that the funds available under the program will assist rural communities to share in the expansion of national growth, and will not be used to take existing plants and jobs from other cities.

"I believe it is important at the outset to understand that the new tools provided this program under the Area Redevelopment bill are limited in relation to the overwhelming need. We should consider this an experimental program which must be made to work, and then we can seek to expand it as the overwhelming good it achieves becomes more apparent."

The Secretary said the technical assistance portion of the rural development program can, with proper staffing and efficient operation, serve as equally productive a purpose as credit.

"With the aid of experts here in the department, the program can help develop land use programs in cooperation with local leadership which will plan how land resources can best be applied most productively.

"We know, for example, that recreational land area is becoming increasingly scarce, and that we will need to invest a greater portion of our resources in recreational outlets.

"Those communities and areas which are particularly suited to satisfying the leisure time and recreational needs of our growing population will have available through this program a wealth of planning assistance, educational programs and technical services to capitalize on this economic opportunity.

"In other areas where land would be more productive in timber or some other commmodity, the department through this program will encourage and assist local people and agencies through research, planning, education and other services which will be needed to make the transition."

Secretary Freeman said the rural development program will "by no means ignore" rural areas which are not considered distressed areas.

"We must be concerned with all areas, and especially with the problem common to all agricultural regions -- that of helping the young farmer get a stronger foothold in agriculture.

"There is a program being discussed in my own state of Minnesota which may well be an answer. It proposes to establish Farm Development corporations patterned after the Industrial Development corporations which are becoming more prevalent throughout the country.

"This Farm Development corporation would help establish good farms in much the same way as industrial development programs help new industry to start.

"Through the rural development program, we could assist such community enterprises to survey surrounding farm lands and the credit resources available to farming. The best lands for farming could be marked, the lands which should be combined into efficient and profitable family farming units could be determined together with the facilities and equipment needed to obtain a profitable return.

"Once such research and planning had been done, these community corporations could seek out bright and enterprising young families who wish to go into farming and provide them with adequate credit to get them started.

"Projects of this type -- and others -- representing the outpouring of initiative and enterprise which now is a latent force to be challenged into action, is but one part of the total program in Agriculture to strengthen farm income.

"Another phase of this total program to achieve a parity of income for the agricultural sector of our economy is contained in the Ellender-Cooley farm bill.

"It is of major importance today as the most immediate goal because it answers a powerful and critical need. It will insure greater farmer participation in the formulation and management of programs which directly affect him.

"And while it is farmer oriented legislation to provide the rural sector of our economy with some of the bargaining strength now found in industry and labor, it contains special safeguards to prevent it from being exploited for unfair advantage."

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USDA 1524-61

U. S. Department of Agriculture
Office of the Secretary

I am honored to be here today to join with the faculty and students of the University as they acquire a unique and highly valuable instrument to expand man's knowledge for the benefit of people everywhere in the world. I am honored to participate in the dedication of this new milling technology building with the distinguished leaders of the State of Kansas, with the representatives of the milling and grain trade to whom this facility will serve as a promise that tomorrow will bring the answer to today's problems and with the wheat farmers from this midwestern region who have looked to the University for decades as a source of new ideas for better farming.

I am pleased to be here in Kansas at a time you are celebrating your Statehood Centennial. I believe that no other event could better mark a century of progress for the state which is the Nation's Breadbasket than the dedication of this building. It marks the starting point for a new frontier in the scientific and technological advancement of flour and feed milling.

This building, which has been described as being as modern as engineers can make it, is more than stone and mortar and steel. It is a testimony to the courage and dedication of a man you know much better than I do -- Dr. John Shellenberger. His perseverance, and his ability to unlock the generosity of many people and organizations, has made it possible for a much superior educational opportunity to rise from the ashes

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Outline of address by Secretary of Agriculture Orville L. Freeman at the dedication of the new Milling Technology Building, Kansas State University, Manhattan, Kansas, May 18, 1961, 1:30 p.m., CST.

of the old. When West Ag burned, I suspect many students felt that their opportunity for a career burned with it. The students who now start through this building will owe Dr. Shellenberger a debt of gratitude. These students also shall share this gratitude with the Kansas legislature, the grain and milling and baking industries and with the wheat farmers who, through their grain cooperatives, have made substantial contributions to the cost of erecting the milling technology facility.

If this structure, then, could represent one great principle, I think it would be this: It has demonstrated that the whole producing, marketing and processing complex which puts the loaf of bread on the housewife's table can work together towards a common goal. The farmer, the grain merchant, the miller, the baker and the public -- represented by the land grant institution and the government -- can work side-by-side in order to keep alive this source of progress which benefits all mankind.

All of you have made use of a great opportunity, and there shall be an everlasting benefit because of your action. Having shown that opportunity is a material which you can make use of, I would like to describe to you some other areas of opportunity in agriculture which can have wider benefits than even the imagination can grasp today.

These are the opportunities we have to make greater use of our agricultural abundance. I do not need to tell you here in the great Wheat State of the tremendous success story which the farmer has written for agriculture. The farmers of Kansas have helped to carry this nation forward from an economy of scarcity to an age of abundance.

Twenty years ago, when I was training for the Marines in Quantico, Virginia, and Henry Wallace was Secretary of Agriculture, the American farmer was producing enough food and fiber for 11 people. Today, the farmer has so improved his efficiency that he can supply the food and fiber needs for 25 people.

The farmer in the period of the last decade has tripled his production per hour while the industrial worker has been doubling his hourly output.

If we honor the men who are beginning to conquer space and erase the barrier to man's travel towards the stars, I believe we should also give as much honor to the farmer who has erased the fear of famine from our land through an abundantly productive agriculture.

Our challenge today is to use this productive genius to serve the needs of our people and the hungry people throughout the world. We must make use of the opportunity this abundance provides as a powerful instrument in the world struggle for peace. And we must make use of our productive agriculture as a revolutionary force of democracy in a world where the majority of its people live in newly developing nations.

Let me describe some of the ways President Kennedy seeks to expand the use of our agricultural abundance, and particularly some of the ways we hope to increase the consumption of our massive supplies of wheat.

In doing this, I wish to emphasize that the Kennedy administration is dedicated to the task of expanding the use of our abundant food and fiber.

USDA 1563-61

I. Expanded use at home:

1. Direct Distribution Program.

   a. Providing food to 2.5 million more needy than 5 months ago. By the end of the month the figure should reach 3 million more.

   b. We have nearly tripled the quantity of food. In December, family of 4 received 33 pounds of food monthly involving 6 commodities. Today they receive 87 pounds from a list of 11 commodities.

2. Pilot Food Stamp Program.

   a. Eleven days from now we will begin putting the food stamp program in operation. First distribution of stamps in West Virginia. Total of 8 projects.

   b. Will enable needy families to buy food necessary for adequate diet through normal retail channels.

3. School Lunch Programs.

   a. Adding new foods to the commodities available to school lunch programs.

   b. Increasing amount of government support for program.

II. Expanded use abroad:

1. Food for Peace under Title 1, P.L. 480 will have available an additional $2 billion for current calendar year.

   a. Programs totaling about $850 million at market value were held up until this additional authorization was made by Congress. They now will go forward.

b. In the past 2-1/2 months, we have signed 16 agreements with 14 countries for farm commodities worth $225. We expect that the full 3 month period will set a record as to the number of agreements and number of countries involved.

2. Made available to private and public groups, such as CARE, which distribute food overseas, additional food commodities, primarily food oils.

III. Food for Peace program has placed Kansas in the position of being an important element in our international relations. A substantial part of the commodities moving overseas has been, is, and will continue to be wheat.

1. Since the legislation was passed in 1954, almost 2 billion bushels of wheat and flour have been shipped overseas.

2. This year, we anticipate selling about 300 million bushels of wheat for foreign currency....about 35 million bushels will be donated to relieve famine and help in national emergency...more than 30 million bushels will be donated through voluntary agencies....while we anticipate more than 15 million bushels will be shipped under the barter program.

3. We also anticipate a substantial movement of wheat through the program designed to assist in the economic development of friendly nations. We provide long-term credit for purchase of farm commodities for use to stimulate economic growth. No agreements as yet are signed.

4. We also are seeking to expand the use of wheat foods through school lunch programs in friendly nations. One of the relatively new wheat foods we are trying out in several areas is Bulgar wheat. We are encouraged by the potential uses of this parboiled wheat.

IV. While we are expanding the use of wheat through the Food for Peace program--in fact, the wheat shipped under this program this year is more than the average yearly shipments from 1951 through 1955 -- we also are expecting about a 27 percent increase in wheat export for dollar sale.

1. The combined total for both Food for Peace and dollar sales may climb to about 650 million bushels -- highest in history.
   a. This is 2-1/4 times the quantity grown in Kansas in 1960.
2. Record wheat shipments are contributing to a most impressive export outlook for most farm products this year.
   a. Farm exports predicted to reach $4.9 billion -- a new record in value and volume.
      1. Of interest to Kansas farmers -- record shipments are expected in soybeans, poultry, meat, variety meats, tallow and hides, and skins.
      2. Exports of $4.9 million is about three times the value of farm output in Kansas in 1960.

V. Are there further opportunities to expand the use of wheat? I believe there are many.

1. Market Development Programs which team the USDA and agricultural industry to expand markets in developed parts of the world.
   a. Great Plains Wheat, Inc., for example, is actively supporting this program and through an agreement with the Foreign Agricultural Service is promoting wheat sales abroad.
      1. Foreign currencies for this work come from sales of commodities under PL 480 while the dollars necessary for this work come through your state wheat commissions.
   b. Recently, as a direct result of a cooperative market development project in Japan, the way has been opened for high quality US Hard Winter wheat to a new cash market.
2. Another opportunity exists to expand exports of wheat in cash markets, but only if producers, grain merchandisers, exporters and government can together develop procedures which will improve the quality and uniformity of wheat prepared for cash export.
   a. The milling technology building is physical proof that all interests can work together for a common goal. Now I propose another common goal. We must raise the quality and uniformity of wheat being produced for export.
      1. The US is missing dollar sales in the world wheat market because of lack of uniformity and cleanliness within grades from one shipment to another...too little or undependable baking strength...questionable storage life...insufficient market information on the quality of wheat available for export.

2. Demands for quality in export are the same substantially as those of our own millers. Our market development teams have confirmed this...visitors from other countries coming to this area tell you the same thing.

3. We need better sampling program for every export cargo of wheat....of wheat storage stocks for grade, protein, fat acidity and sedimentation....of each new crop after harvest. There are additional steps which can be taken and which I will discuss at a later time.

4. We need to explore the means to replace the production of lower quality wheat with wheat meeting the needs of our markets. This problem is currently under study and the department will be asking producers and the grain trade for counsel. While steps could be taken immediately I intend to follow the course of developing policy jointly between the USDA and the farmers.... no program can function without the understanding and support of the producer.

VI. There is one final common goal I would like to discuss with you here today. It relates to the magnificent success which the farmer has achieved in his production of food and fiber, and to his need for support in obtaining an appropriate reward for his enterprise and initiative.

1. It does poor justice to the wheat farmer, for example, when he seeks some of the tools and mechanisms which will give him greater ability to manage his productivity to have a member of

the baking industry tell him that any increase in the price of wheat will raise the price of bread.

a. Since 1947-49, the price of a loaf of bread has increased 72 percent. However, the share of that loaf of bread which the farmer receives has declined an absolute 15 percent. In 1947-49, the baker paid the farmer 2.7 cents for the wheat in a loaf of bread he sold for 13.5 cents. Today, the same baker would pay the same farmer 2.3 cents for the wheat in a loaf of bread he sells for 20.3 cents.

b. Had the farmer shared proportionately in the increase in the price of bread, he would perhaps feel the baker was correct. But when he has not shared and has actually been given a smaller slice of the loaf, the words of the baker sound more like an effort to prevent the farmer from gaining any influence over his own affairs.

2. I plead, therefore, that the farmer be given a fair hearing, and that those who depend upon him as the basic producer of their raw materials take some responsibility in presenting an accurate picture of the farmer to the public.

a. While we shall press forward with every possible resource to increase the use of our abundant food and fiber, it is clear that we will not be able, IN THE YEARS IMMEDIATELY AHEAD, to expand consumption enough to absorb all of our potential agricultural productivity.

1. We must provide the farmer with the techniques and procedures which will allow him, in cooperation with his neighbor and his government, to adjust his abundance to current domestic and foreign need and demands.
2. Estimated that if current conditions continue, we can expect a 5 percent over-production of farm commodities each year on the average as has been the case in the past decade.
3. I believe we are approaching the point of no return. Wheat, small grains and livestock producers in the Northern Plains raised production per farm 16 percent -- but income dropped 28 percent between 1947-49 and 1957-60. The squeeze cannot long continue without some drastic changes in the structure of the agricultural economy.
4. Individual farmer acting alone cannot correct a surplus imbalance -- farmer is the only basic producer in the economy with no effective means of adjusting production to demand. The biggest 15,000 wheat producers account for only a small fraction of total wheat production.
5. Farmer is asking only for equality of economic opportunity... he needs machinery for coming together and developing supply adjustment programs.
6. The Ellender-Cooley bill will provide this machinery -- along with democratic methods for approving and rejecting farm programs. It would provide safeguards for consumers' interests.

VII. With cooperation of American farmers, we can achieve an effective adjustment of our agricultural abundance -- can close the gap between our tremendous productive potential and our ability to manage and utilize it in the best interest of all.

1. This is essential because a healthy agriculture is basic to the long term soundness of our economy.

2. It is essential in another important respect. We can use the story of the success of the American family farmer in the world struggle with communism.

   a. No better answer to hungry people than to point to the enormous success of the family-owned and family-managed system of agriculture in our democracy...contrast with the failures and inefficiencies of the communist systems in Russia and China.

   b. The farmer can be the secret weapon in our effort to make democracy the revolutionary force in a world of rising expectations. But we may destroy this powerful weapon for want of tools which will give the farmer a bigger voice in the management of his productivity.

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U. S. Department of Agriculture
Office of the Secretary

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I greatly appreciated the invitation to break bread with you tonight at this dinner meeting of the Kansas City USDA Club and am grateful that the miracles of modern air transportation made it possible to accept.

This is the first chance I have had to visit in the field with Department co-workers at a family gathering of this kind. The pressures of the "first hundred days" in Washington have kept me close to the office, but I hope and expect to see a lot more of our staff in the months ahead.

This Administration believes in the career system as the cornerstone of our structure for operations in the executive branch of government. We have confidence in the men and women who are devoting their lives to public service. We intend to do everything we can to improve both their status and the measure of recognition they are accorded for jobs well done.

President Kennedy emphasized this position in his State of the Union message to Congress on January 30. At that time he said, "We have found it (the executive branch) full of honest and useful public servants." Later in the same message the President said, "I hereby pledge myself and my colleagues in the Cabinet to a continuous encouragement of initiative, responsibility, and energy in serving the public interest . . . . Let the public service be a proud and lively career."

As for my personal beliefs, I want to say -- as I have said before -- that I feel honored to have the privilege of serving with you in the Department

Summary of remarks by Secretary of Agriculture Orville L. Freeman at a dinner meeting of the USDA Club of Greater Kansas City, Kansas City, Mo., 7 p.m., Thursday, May 18, 1961.

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USDA 1557-61

of Agriculture. I have the highest regard for the great traditions of service and the high standards of professional excellence which characterize your work.

I know of no public agency, anywhere, which has contributed more to the basic welfare of a great nation than has the Department. American agriculture has increased in efficiency so dramatically that today it stands as one of the great strengths of the free world. And behind that growth there is nearly a century of dedicated and unremitting service by employees of the Department.

Unfortunately, that service has not always brought the rewards and the recognition it deserved. Criticism of "surpluses" and "subsidies" has at times served to confuse issues and hide the true facts of agriculture's contribution to the national welfare. This has not enhanced the prestige of those who serve agriculture.

That is one reason why I feel that awards ceremonies, like the annual event you are holding here tonight, are of great value. They are one way of showing our own appreciation for outstanding service. They are also a way of letting everyone know that we are proud of our people -- that we recognize the importance of their contribution to a stronger nation.

The fact that the general level of service in the Department is so high adds special significance to honor awards. When an individual in our agency earns a citation for constructive suggestions, outstanding performance, or long years of effective service, he has clearly merited the distinction. We all join in the feeling of pride in the accomplishment.

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As a newcomer in the Department, I have been impressed by the size and scope of its organization and services. Only a relatively small percentage of our work is done in Washington. Most of our people -- many thousands of them -- are scattered in field offices throughout the 50 states, and even in foreign countries. The representation at this meeting -- ranging from agencies which carry out major adjustment and price support activities to those which furnish long-established research, marketing, and related services -- well illustrates the breadth of our activities.

Our men and women, wherever they are, are upholding the Department of Agriculture's fine reputation for devoted, effective accomplishment. They have accepted, and met successfully, many challenges through the years.

The record is good, and it speaks well for the future. Today there are new issues and new problems, many of them in the practical economic field which is demanding more and more attention. I know our staff, strengthened by the experience of many years of sound operations, will be ready to continue its effective service.

One of our major current needs is a better understanding of agriculture. We find faulty emphasis, outmoded concepts, and a lack of real understanding in the present public attitude toward the nature, causes, and possible solutions for our agricultural problems.

This is a serious situation which calls for immediate attention. I believe that reaching a solution to our overall farm problem requires a much greater public understanding of the factors involved. We need more widespread recognition of the contribution farmers make to our American standard of living. We need more general realization of the implications for agriculture

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that are inherent in the scientific and technological progress which characterizes our times.

Getting this better understanding is a job for all of us. There is nothing partisan about it, unless it is the partisanship of believing in the importance of agriculture -- and the need to help farmers secure equality of opportunity in our developing economy.

We must tell the agriculture story to the whole country -- fully, clearly, and convincingly. That has not been done adequately in recent years. The result is that many who live in the cities and towns are not aware of the great contributions agriculture makes to the national welfare. There are too many misunderstandings between labor and agriculture -- between consumers and farmers.

For illustration, here are a few of the facts which should be better understood:

The farm is the real backbone of this nation. It is largely from the fruits of the soil, produced by the patient efforts of the men and women who cultivated it, that we have risen to become the strongest, wealthiest, most productive, and most democratic nation on earth.

Our agriculture has become fabulously efficient. It has reached a pinnacle of success in meeting its prime purpose -- the production of an abundance of food and fiber to meet human needs.

Agriculture has tripled its output per man hour of labor in the past two decades.

Twenty years ago, one farmer produced enough for 11 people; he now produces enough for 25. In contrast, one farm worker in the Soviet Union produces only enough for about 5 persons.

Food is a good buy today -- our people can get more food and fiber per dollar of real income than was ever possible before, anywhere.

For one hour's pay, our industrial workers can buy a good, normal meal for four persons. In Germany and England, it takes two hours work to buy the same meal; in Austria, four hours; in France, $4\frac{1}{2}$ hours; in Italy, more than 5 hours.

Agriculture is a 40 billion dollar annual customer for the products and services of the United States economy.

More than a third of the gainfully employed working force in the United States is engaged in the agricultural industry. In addition to 7 million who work directly on farms, more than 15 million are employed in processing, transporting, and marketing farm products -- or in providing the goods and services a farmer must have to produce. The agricultural total is between 20 and 25 million, out of around 65 million jobs in the entire country.

The number of people living on farms is now down to around 10 percent of the total population, but a sound and prosperous agricultural industry is just as vital to the national economy as it ever was -- or even more so. As agriculture becomes more mechanized, and more efficient, it depends more on goods and services which are created off the farm. By the same token, the rest of the economy is more dependent on agricultural stability and buying power.

These are some of the constructive facts about agriculture which should be known. There are many more. It is equally important that we correct the record with regard to some of the fallacies about agriculture and farming which are passed around from time to time.

One of these fallacies is that farmers do not really need any assistance in bettering their economic position -- that they are doing very well on their own. One hears talk about "driving Cadillacs" and other misleading references.

The plain fact is that farmers have been operating at a disadvantage. Last year, the average per capita income of farm people was $986 -- only 43 percent of the $2,282 average income received by non-farm people.

Incomes of farm families today are lower, relative to the rest of our population, than at any time since the 1930s. While farm costs have gone up in recent years, along with general inflation, farm prices and income have actually dropped sharply.

The significance of these trends goes beyond the welfare of farmers themselves. When farm buying power is down, the merchant on Main Street loses business. When the local merchant cuts his orders, distributors and manufacturers lose business. And the end result is that labor works shorter hours, or is laid off.

The farm programs of recent years have obviously not been adequate. They have not been getting the job done. A new approach is clearly needed -- new directions to help farmers make their full contribution to an expanding national economy.

This is the general background against which this Administration has asked Congress for the authority to work with farmers in recommending the best possible programs for each commodity, or commodity group, where assistance is needed and a practical approach can be developed. It is a sound way to give farmers the price and income stability to which they are entitled, at the same time protecting the interests of consumers and strengthening the entire economy.

With better understanding of agriculture -- and of the special problems involved -- I am confident the way will be opened for us to move toward solution of our basic agricultural problems in a constructive, forward-looking, thoroughly American way.

Thanks for inviting me here tonight. I hope that I can return soon -- and I do also hope that I will be able to get better acquainted with many of you personally as we work together to handle the big jobs which lie ahead.

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USDA 1557-61

U. S. Department of Agriculture
Office of the Secretary

This afternoon I have had a most enjoyable time meeting and talking with cotton growers, farm leaders, farmers and some of your state legislators from both Missouri and adjacent states. I find this type of personal exchange valuable as it gives me a better insight to your problems and to the economy of your region.

I am greatly interested in cotton's problems and intensely concerned that U.S. cotton -- your cotton -- and U.S. producers, here and throughout the nation, shall have a stable and prosperous future.

I, therefore, welcome this opportunity to request your cooperation and help in solving cotton's problems. I hope at the outset that none of you will conclude, because I am speaking to the Missouri Cotton Producers Association, that I consider myself an expert on cotton. I do not because I am not.

But I can assure that we will work with you in every way feasible to help cotton enlarge its markets, improve its quality, and bring to its producers a fair return.

Personally, I am tremendously interested in cotton. Here is a commodity that is deeply rooted in the history of America and of much of the world. Historians believe it has been grown in India for three thousand years. When Columbus came to America he found cotton growing in the West Indies and on the Continent. It was one of the first crops planted by the English settlers in Jamestown. By all odds the most important vegetable fiber known to man, cotton has had more influence on history than

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Address by Secretary of Agriculture Orville L. Freeman before the Missouri Cotton Producers Association, Charleston, Mo., May 23, 1961, 8:00 P.M., CST.

most rulers and kings. It has shaped economic development over broad areas. The raw material of the Industrial Revolution in England, it changed tiny hamlets into throbbing cities. Here in the South it became and remained for decades the kingpin of the entire economy.

And here and now, in the year 1961, what happens to cotton affects the income, the prosperity, and the well-being of millions of our people.

Yet we would all agree that a permanent solution to cotton's problems still has not been found. One has only to look at the existing cotton situation to see the truth of this. And what is true of cotton is true of other commodities -- and of American agriculture in general.

The producers of all farm commodities share a number of common attributes, the most striking of which is their achievement in output. At no time in the history of our civilization has one nation reached success in agricultural production even comparable to ours.

Two decades ago, the average farm worker produced enough food and fiber to support about 11 people. Today he produces enough to feed and clothe 25. The farmer has today, through a scientific and technological revolution, made it possible for 9 percent of our population to feed and clothe all others -- with a substantial portion available for millions of people elsewhere in the world.

This outpouring of agricultural abundance makes for some rather sharp contrasts. Two decades ago, the average farmer produced only a third as much as he does today -- and this rate of increase since 1940 has been twice as great as in industry.

And it has meant that the consumer is able to buy a balanced and varied diet for approximately one-fifth of his take home pay -- a smaller proportion than anywhere else in the world. The factory workers of today bought their food in 1960 with nearly one-third fewer hours of work than it took in 1947-49, and they ate better besides.

Yet, those individuals who have contributed to America's success in farm production, paradoxically, have not been those who have reaped the reward. To the farmer, production success has brought economic distress.

In fact, as farm output has increased in recent years, farm income has decreased -- and almost in proportion.

Farm output increased about 29 percent between 1960 and the period 1947-49 -- but net realized farm income was 26 percent less. In just 10 years, the average net income per person for farm people has declined from about 53 percent of the average income of non-farm people to about 43 percent -- and this is income from all sources.

Now the cotton grower, like every progressive farmer throughout American agriculture, has achieved remarkable success in production. No other country can match our cotton in the amount, the varied staple lengths, and the general good quality of the crop. None can even approach the efficiency with which cotton is produced in this country.

I believe that the first step towards solving cotton's problems is the same as that for all other farm commodities: we must gain and hold public understanding and appreciation of the remarkable record which agriculture has made in becoming the number one success story of this century. Then agriculture will get a sympathetic rather than a hostile ear as we seek to work out our problems.

USDA 1618-61

Lets take a brief look at the challenge we find in agriculture as it particularly affects cotton.

The cotton producer, while not faced with the same degree of inelasticity in the demand for his product as other farm commodity producers, does have some particularly unique problems.

You know the inroads made into markets formerly held almost exclusively by cotton -- inroads by such man-made substitute products as rayon, nylon, paper, spun glass and others. You know the difficulties of meeting foreign competition while at the same time seeking to maintain fair prices to cotton producers here at home.

Some of the statistics which reflect these factors give us concern. Recently, some prominent cotton leaders came to my office and said that cotton is in good shape. The facts, I fear, do not bear this out.

What are the facts?

First, domestic consumption of cotton is expected to be down about one million bales this year from the 9 million bales consumed a year ago. The business recession of 1960 and early 1961 is partly responsible, and we expect some improvement in the coming season. But the general level of business is not the only factor.

In the last decade, the per capita use of cotton in this country dropped by roughly one-fourth. This very serious long-term element reflects the trend toward larger use of man-made fibers year after year.

A third fact of importance in the statistical picture of the cotton economy is that we expect total export of cotton in 1960-61 to run about 6.5 million bales -- down about 700,000 bales from the previous year.

In total then, cotton disappearance for the 1960-61 marketing year will be about 14.5 million bales -- 10 percent less than in 1959-60. Since this approximately balances last year's cotton production, it means that the carryover on August 1 will remain about 7.5 million bales.

Most of this cotton will be owned by private interests. We expect government stocks to be relatively small. But while this is an improvement over the situation in the mid-50's, it is by no means a solution to the cotton problem. In fact, the existence of 5.5 million bales in private hands on August 1 may delay and reduce the disposal of the new crop.

Another statistic which adds to our concern is the sharp rise in the volume of cotton textiles imported into the U.S. with the accompanying decline in the export of domestically produced textiles. In 1950, imports of cotton textiles equalled about 83,000 bales. During 1960, about 532,000 bales of cotton were used to manufacture such imports. In the same period, cotton used in textile exports dropped from about 539,000 bales to 494,000 bales.

The simple fact is that dual prices for raw cotton encourage foreign mills to export their cotton textiles to the United States. This cuts into the market for U.S. produced textiles and causes consumption of cotton within the United States to decline.

President Kennedy, as you know, has issued a 7-point directive aimed at alleviating the problems of the textile industry. He has directed the Department of Agriculture to take a good hard look at the two-price system for cotton with a view to replacing it with something better -- better for cotton and textiles alike.

We are studying this situation thoroughly in cooperation with our cotton advisers, and we hope to have recommendations to make in due time.

This involves a very difficult problem -- maintaining on the one hand prices and income our farmers can live with and, on the other, keeping our cotton competitive in world markets.

I believe encouragement can be taken from the fact that the demand for cotton is elastic and that world consumption has been increasing fairly rapidly. But the cold hard statistics should serve to alert us that action is called for.

In this respect, cotton is not unique. It is the special responsibility of all of us in Agriculture to develop agricultural policies and programs which will enable us to manage and use our abundance of food and fiber so as to benefit the maximum number of people here and abroad while at the same time there is an adequate reward to those who give us this great productivity.

In the time remaining, I wish to outline the administration's program to extend some of the rewards of an abundant productivity to the farmer as well as to those who have benefitted from it in terms of higher living standards.

The first responsibility is to seek the most intelligent use of our agricultural abundance. This means that we are placing emphasis on expanding consumption of food and fiber both domestically and throughout a world with enormous unmet needs for food and fiber.

At home this program has meant a substantial expansion in the food being made available to needy families. Since the President issued his

first executive order in January, the department has more than doubled the quantity of food for the needy while placing it in the hands of 2.5 million more people.

Within a week we shall begin a pilot food stamp program which will enable needy families living in eight communities and localities of chronic and high unemployment to purchase food required for adequate diets through regular retail channels.

In addition to these special programs, the department is adding new commodities to the school lunch program while increasing the school milk program and the amount of Federal support for both.

While seeking to follow every reasonable opportunity in this country to expand domestic consumption, we recognize that the tremendous productive success of agriculture means we can produce far larger quantities of food and fiber than are necessary to meet domestic needs.

Further, it means that we have available an enormously powerful instrument to use in assisting scores of nations which are in need of the food that can contribute so much to the health of their people and and to the development of their economies.

As we are coming to realize, the programs carried out under our Food for Peace Program (Public Law 480) contain the essential elements of truly great humanitarianism: They are instruments for peace and freedom in the world while they contribute at the same time to a sounder national economy at home.

We already have received from Congress the authorization to expand this program to the extent of $2 billion for the current calendar year.

and yesterday I appeared before the House Agriculture Committee in support of amendments to PL 480 which are contained in the omnibus farm bill now before the Congress.

Under the key recommendation for a five-year extension, PL 480 will become a much more forceful instrument, both in support of our farm economy and in our effort to help emerging nations develop and grow in freedom, rather than under communism.

In addition to these direct programs to step up utilization of our farm abundance, the department is placing increasing emphasis on research to develop new uses for agricultural commodities to create new markets, in human nutrition to learn more precisely the role of various foodstuffs in health and growth, and in pest eradication to help produce higher quality commodities.

The prospects, for example, are good that scientists can eventually eradicate in boll weevil. We are concentrating our efforts towards this goal in a new laboratory now nearing completion at State College, Mississippi.

On the product development side, many scientists in USDA research are chemists and engineers who are seeking new uses for cotton and studying ways to improve cotton products now on the market.

There is promise, too, that researchers can strengthen the cotton market by making improvements at critical points in the operation of gins, oil mills and textile mills -- and thus cut the cost of processing.

The emphasis on increased utilization of food and fiber, together with more stress on research, are two major efforts to develop wider markets for the products of agriculture.

A third program behind which we are marshalling every resource of the department is directed to help that segment of the farming economy which finds its troubled roots in a soil which the typical farm program does not and cannot effectively reach.

This is the rural development program. It is a special tool for reaching the areas of chronic low farm income -- where resources are poor or inadequate to sustain profitable farming operations when even properous conditions prevail in agriculture.

I have established a rural development board which will focus all departmental services on a top priority basis to provide technical assistance in these rural areas and communities, and the President recently signed into law the Area Redevelopment Act which provides funds for assistance to these areas.

These funds will be used to provide low intrest credit to assist rural areas to attract new industry, to construct community facilities essential to economic growth, and to assist individuals to learn new skills which will help attract new industry to rural areas.

The program also will enable the department to better utilize its resources to assist farmers whereever feasible to obtain the credit, equipment and skills which will help them make the adjustment to an efficient family-sized operation.

I should like to take this opportunity, for a moment, to clarify what we mean when we talk about the family farm. It has been subject of as many misconceptions as the Ellender-Cooley farm bill which is designed to enhance its strength.

The family farm is a business institution in which most of the labor and most of the management is provided by the same family. Acquisition of managerial control can be acquired by any one of several forms of tenure.

Similarly, the size of the family farm or its income depends only on the amount of labor the family farm can supply and an equal -- or near equal -- amount of hired labor.

Within these labor and management limitations, farms of any acerage, income level, form of tenure and any type of farming system can be classed as family farms. As the labor force of the average family farm is now approximately 1.5 man-years, the dividing line between the family and larger size operation is approximately 3 man-years.

To be adequate, a family farm should gross at least $10,000 annually and those that do are generally considered as efficient as the large scale farming operation.

It is the family-type farm which is largely responsible for the unmatched productivity of American agriculture and, as I have said, it is to this genius of efficient operation that we direct our major concern.

It may appear to some that the efforts to seek greater utilization of food and fiber are in contradiction to parallel efforts to adjust our abundant agricultural production. I can assure you that unless a determined effort is made to adjust production to the quantities we can use as we seek to expand our use of food and fiber at home and abroad, we shall continue down the unhappy road of the past decade.

The goal of the Ellender-Cooley bill, or the Agricultural Act of 1961, is to make it possible for producers to automatically adjust their production.

The heart of the proposed legislation is an attempt to achieve economic equality for farmers on a commodity-by-commodity basis. The farmer is the only basic producer in our economy who now has available to him no means by which he can adjust production to demand, and who, therefore, has no effective means by which he can influence the economic rewards of his enterprise.

The proposed legislation would provide farmers with the machinery for coming together and developing supply adjustment programs. It would provide democratic methods for approving or rejecting such programs. And it would specifically provide safeguards for consumers' interests.

A committee of producers -- including a consumer representative -- would consult with the Secretary to develop and recommend a program of supply adjustment for that commodity. The Secretary would recommend a program based on these consultations. To become effective it would require approval by the President, sanction by the Congress and approval by two-thirds vote of the producers.

Farmers serving on these commodity advisory committees would be chosen from nominees designated by farmer-elected county committees and by farm organizations.

The program offers a variety of procedures, many of which have already proved their usefulness, in order to provide a degree of flexibility which now is needed by agriculture in order to adjust to the swift changes which are common to farming in this age.

I urge you to note these important points:

*The democratic procedures -- farmer elected advisory committees in consultation with the Secretary consider and recommend individual commodity programs.

*The safeguards -- consumer representatives participate -- review by the Congress -- approval by two-thirds of the producers.

*Note that the bill establishes agricultural procedures, not programs. The democratic process is called into play at every stage. It would mean less, not more, "Government in agriculture."

The power of the Secretary to initiate programs will be diminished rather than expanded.

The new approach will give the Congress and its agricultural committees a closer, more direct relationship to agricultural programs than they now enjoy.

The Ellender-Cooley farm bill will cut the cost of Federal farm programs by helping producers bring supply into line with actual needs.

This then is the four phase approach the Kennedy administration is taking to meet the problems of American agriculture. We have an explosively productive agricultural plant. We seek to use it by every reasonable avenue, but in the process we seek also to prevent the wasteful use of our valuable human and natural resources.

It provides no permanent solution to cotton's problems, or to any commodity problem -- because there is none. But it does provide a flexible series of alternatives and, in the process, an open invitation to hard work for all those concerned with the farming economy.

It is an invitation for farmers to exercise judgment, reason and intelligence in the management of their own enterprise.

USDA 1618-61

U. S. Department of Agriculture
Office of the Secretary

I am most happy to be here in Des Moines because it brings me together with the people who have written the outstanding success story of modern time. The farmer has fulfilled his responsibility of providing food and fiber for this nation to an extent unparalleled in history, and he is making it possible for the United States to feed and clothe millions of people elsewhere in this hungry world.

Thus I am pleased to be invited to speak at this Midwestern Farm Conference as I have the opportunity -- and a far too rare opportunity -- to meet and talk with the people I am honored to serve and with whom I am proud to work.

About four months and a few days ago, I met with another group of farmers. It was the first public meeting I attended as Secretary of Agriculture and its purpose was much the same as for this gathering. It was a conference held in Washington and attended by representatives of farm organizations from all across the nation to seek a common understanding and to begin the difficult but vital task of bringing to the farmer a reasonable opportunity for him to share in the rewards of his success to the same degree as the consumer, processor and the agricultural supply industry.

I said then that our challenge is to resolve the paradox which finds productive success rewarded with economic distress.

To begin this task I promised to be guided by certain basic principles. They are:

Address by Secretary of Agriculture Orville L. Freeman before the Midwestern Farm Conference, Des Moines, Iowa, 2:30 p.m. June 3, 1961.

*First, we must all become salesmen for American agriculture. We must develop a recognition on the part of the general public of agriculture's contribution to our high standard of living -- and a public understanding of the importance of a sound farm program, not only to farmers, but to all Americans. Without this understanding, there can be no effective farm program.

*Second, I intend to seek the greatest possible cooperation, in the development of policies and programs for American agriculture, from farmers, from farmers' organizations, and from the Congress of the United States.

I said then, and I repeat now, that farmer participation, from the local level on up, is essential to the successful operation of farm programs in a democracy. No program is workable unless it has the understanding and cooperation of those who are affected by it.

*Third, just as our prosperity can never be secure without a prosperous agriculture, so must a successful program for agriculture take into account our entire economy, including help for distressed areas, the interests of consumers, our balance of payments problems, our national strength and security, and our position of leadership in the free world.

This was the start, then, six days after I took the oath as Secretary of Agriculture, of a new approach to the farm problems of the 1960's. I did not pose as an expert then, and I do not now -- but I am willing to learn and I have been learning.

And what have we accomplished in agriculture since that day when farmers sat down for the first time in nearly a decade together to talk? I believe the Department has lived up to the letter of the word in those three basic guidelines.

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The day following the first farm conference a committee of feed grain farmers met with the economists and technicians of the Department and fashioned a feed grain program. It was an emergency program, hammered together under the pressure of planting deadlines -- and we thought we would be highly successful if corn and feed grain farmers cooperated to put 18 million acres in soil conserving practices.

The bill would not pass the Congress, a lot of farm experts said, but the Congress -- and especially the Congressmen from urban areas representing districts where farms long ago became housing developments -- said "we will give the farmers an opportunity to cooperate together to manage their agricultural plant and see if they will take it. If they do, we will take a favorable look at more permanent legislation which will help the farmer."

I believe that through the amazing response to the feed grain program, the farmers of all 11 states represented here -- and of all the nation -- irrespective of their farm organization affiliation, have demonstrated forcefully to the Congress that they want farm programs.

Farmers ask only that they be fair, that reasonable requirements are made in which farmers can cooperate, that they be workable in attaining the goal of better farm income and that farmers be given a voice in formulating such programs.

I believe it is time for the farmer to have more direct influence in programs and policies which affect his ability to successfully meet the modern day problems of agriculture. One of our problems has been to devise fair procedures to enable several million farmers to exercise this privilege.

We have studied the problem intensively and feel that the democratic structures which have historically served the farmer can effectively serve him

now. The elected farmer committee system can assume the new task of nominating individual farmers to serve on the various commodity advisory committees which are proposed under the omnibus farm legislation. Local farmer committees, elected by the farmers themselves will have new importance and added responsibilities, and this means that farmers themselves will take greater interest in these committees. Thus the vital contact with the grassroots is maintained with an efficient and practical method for the farmer to exercise direct influence on farm policies.

This concern for farmer participation and with the need to seek the practical judgment of farmers in matters affecting them so intimately has been a consistent policy with me since that first farm conference in Washington.

Subsequent to the writing of the feed grain program, I have increased the support level of several farm commodities as another step towards parity of income for the farmer. And in each instance, I have consulted with and sought the counsel of farmers and farm groups before making a final decision on the support price level.

While we have taken direct action to provide better farm income, there also has been action to indirectly stimulate increased income. We have sought to make intelligent use of our agricultural productivity both at home and abroad, emphasizing expanding consumption of food and fiber to fill unmet needs domestically and throughout a world where hunger and inadequate clothing is the rule rather than the exception.

At home this has meant a substantial expansion in the food being made available to needy families. Since the President issued his first executive order in January, the Department has more than doubled the quantity of food available while placing it in the hands of 2.5 million more people.

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And this week, I participated in the opening of the pilot food stamp project which will enable needy families living in eight communities and localities of chronic and high unemployment to purchase food required for adequate diets through regular retail channels.

In addition to these special programs to increase consumption, the Department is adding new commodities to the school lunch program while increasing the distribution of milk through the school milk program -- and we are expanding Federal support for both programs.

But while seeking to follow every reasonable opportunity in this country to expand domestic consumption, we recognize that the tremendous productive success of agriculture means we can produce far larger quantities of food and fiber than are necessary to meet domestic needs.

It means that we have available an enormously powerful instrument to use in assisting scores of nations which are in need of food that can contribute to the health of their people and to the development of their economies.

To expand the potent strength of our farm productivity as an instrument to use in our quest for world peace and freedom, we have already received from the Congress the authorization to expand our Food for Peace program to the extent of $2 billion for the current calendar year.

While taking direct and positive action to increase consumption of food and fiber, other immediate steps have been taken to increase loan funds to enable farmers to build and repair farm dwellings and essential service buildings, and to buy livestock, equipment, feed, seed, fertilizer and to pay for other farm operating expenses.

We also have now placed on an operational basis a rural development

program which will enable the Department to reach out and give meaningful assistance to those pockets of chronic farm poverty which the typical farm program does not and cannot effectively touch.

It involves both the use of low interest credit as well as a focusing of the Department's resources to provide technical assistance to farmers and to rural communities.

These, then, are some of the steps which have been taken to begin the long road back to a more prosperous agriculture. Most are actions which could be made administratively and some are the result of the fine spirit of cooperation which exists between the Congress and the Department of Agriculture. As a result, we expect farm income this year to increase as much as 10 percent over 1960.

These actions, however, will not be enough, because the root of the farm problem lies in the lack of flexibility now available to individual commodity producers to secure the procedures and techniques needed to adjust to the swift changes common to farming in this age.

Producers of agricultural commodities in serious trouble can no longer expect to get help by asking Congress for remedial legislation to meet their specific problems as they have sought to do in the past. Recent history has demonstrated this. Again and again, members of Congress representing agricultural areas have tried for better programs without success.

There will be even less likelihood of success in the future as the composition of the Congress changes and its time is increasingly taken up with other complicated problems. This may be the last, best opportunity for farmers to secure from the Congress the kind of broad, flexible enabling legislation under which good farm programs can be developed to deal with conditions that apply

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to the various commodities and to meet changing needs.

Let us look at some of the facts which point up this situation.

Since 1947-49, farm income per person from agricultural sources has remained almost constant while farm income from all sources has increased only slightly. In terms of 1947-49 dollars, the average person living on a farm had an income of $830 in 1950 and $828 in 1960. Yet the average non-farm person has had a 17 percent increase in income -- from $1,542 in 1950 to $1,807 in 1960.

Underlying this has been the continued squeeze of the cost-price vise. Since 1947-49 the prices the farmer receives for his crops and livestock have dropped 12 percent, while prices he pays have risen 20 percent. The monthly report on agriculture prices issued this week indicates that the price for farm commodities has dipped another point while there has been no corresponding decrease in the price the farmer pays for the things he must buy.

It only indicates that the trend which has been set over nearly a decade of indifference to the problems of the farmer cannot be corrected within a short space of time or with the current cumbersome techniques.

These are some of the facts which need to be better understood if we are to make our point of the need for greater flexibility in farm programs. There are others.

Agricultural efficiency and productivity have advanced so rapidly during the past decade that the farmer has tripled his output per hour of labor while the industrial worker has only doubled his productivity per hour.

During the 1950's alone, farm output increased by 28 percent while population increased only 19 percent. The composition of the resource inputs

used by the farmer changed sharply, with about one third less labor, and six percent less cropland.

But the use of machinery, fertilizers, pesticides, and other purchased "inputs" has risen sharply. Overall efficiency, in terms of output per unit of input, has gone up by 25 percent.

The technological revolution has only just begun. Only a few of our farmers are using all of the new technology to best advantage. If all farm production in 1975 were to be carried on with only the best techniques in use in the late 1950's, not all of the cropland now in use would be needed for food and fiber production for our increased population.

As I mentioned earlier, we are stepping up the utilization of farm products, but we know that in the years immediately ahead, we cannot increase their consumption enough to absorb the increasing productive capacity of our farms.

The facts of life are fairly simple. The human stomach can stretch only so much and, therefore, the demand for food cannot be stretched any further. The demand for food is inelastic. The consumer does not increase his food consumption appreciably when food costs go down, nor does he restrict his eating by any marked degree when food prices rise.

Thus, we have overproduction combined with a relative stable pattern of food consumption. The result is that farm prices decline -- and decline again.

It is obvious from the experience of most of you that the uncoordinated efforts of several million farm producers cannot correct unbalanced supply situations.

The inescapable conclusion is that the technological advances in agriculture

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demands that a framework be provided whereby these farmers may coordinate their efforts, in cooperation with government, to adjust production to quantities we can use.

The goal of the President's omnibus farm legislation, or the Agricultural Act of 1961 -- sponsored by Senator Allen J. Ellender and Representative Harold D. Cooley -- is to make it possible for producers to automatically adjust their production to current domestic and international demands.

The proposed legislation provides farmers with the machinery for coming together and developing supply adjustment programs. It would provide democratic methods for approving or rejecting such programs. And it would specifically provide safeguards for consumer interests.

A committee of democratically elected farmers -- including a consumer representative appointed by the Secretary -- would consult with the Secretary to develop and recommend a program based on these consultations. To become effective it would require approval by the President, sanction by the Congress and approval by two-thirds vote of the producers.

Farmers serving on these commodity advisory committees would be chosen from nominees designated by farmer-elected county committees and by farm organizations.

The program offers a variety of procedures, many of which have already proved their usefulness, in order to provide a degree of flexibility which now is sorely needed by agriculture.

I urge you to note these important points:

*The democratic procedures -- farmer elected advisory committees in consultation with the Secretary consider and recommend individual commodity programs.

*The safeguards -- consumer representatives participate -- review by the Congress -- approval by two-thirds of the producers.

*Note that the bill establishes agricultural procedures, not programs. The democratic process is called into play at every stage. It would mean less, not more, "Government in agriculture."

The power of the Secretary to initiate programs will be diminished rather than expanded.

The new approach will give the Congress and its agricultural committees a closer, more direct relationship to agricultural programs than they now enjoy.

The Ellender-Cooley farm bill will enable us to cut the cost of Federal farm programs by helping producers bring supply into line with actual needs, and to that extent reduce such items as storage costs, for example.

It provides no permanent solution to any commodity problem -- because there is none. But it does provide a flexible series of alternatives and, in the process, an open invitation to hard work for all those concerned with the farming economy.

It is an invitation for farmers to exercise judgment, reason and intelligence in the management of their own enterprise.

The administration does not say this bill must be taken as is, or else there will be no farm bill. We say that agriculture needs the flexibility with

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which to meet the swiftly changing conditions now running so strongly through the farming economy.

Under such circumstances no person -- not even the Secretary of Agriculture -- can have all the answers. We are eager to discuss and to make changes in the omnibus bill which will improve the ability of the farmer to share in the rewards of his success. And in the same constructive sense, we feel there is no point in accepting changes which would weaken the chance of attaining the goals we all seek.

But we also believe that it is imperative to act now if we are to provide the farmer with the tools he can use to better manage and meet his economic problems today and tomorrow. We are working in Washington under the driving pressure of a final deadline. There will not be another, and I urge you who have the interest of agriculture at heart to guide your actions under the same set of conditions.

USDA 1750-61

U. S. Department of Agriculture
Office of the Secretary

Secretary of Agriculture Orville L. Freeman said today that public responsibility requires the citizen and public official alike to help close the gap between scientific progress and social progress.

He told the Inter-Agency Management conference, which is composed of top Federal civil servants in the field of public management, that the gap between scientific and social progress must be closed "sufficiently to make our civilization secure."

The Secretary said that management analysts can contribute most effectively by insuring efficient operation of government agencies and departments.

As a means to do this, he said that Federal agencies could profitably use a "self-survey" approach to determine if the programs and procedures of an agency are accomplishing the goals set out for them.

The Secretary proposed that a "self-evaluation technique" which allows a "self-survey" of government operations be used to accomplish this reexamination. Under this proposal, review teams consisting of persons representing the executive and legislative branches of government together with public spirited citizens would review the policies and procedures of each agency.

Secretary Freeman said that management specialists should be "eternally curious." They should look critically and constructively at work programs, operational efficiencies and at budgeting to insure that an adequate review and analysis is carried out.

"It is the duty of staff people in your positions and in the budget positions to assure the executive that the budget is based on a tough-minded but sensible inventory of present operations and requirements."

Remarks by Secretary of Agriculture Orville L. Freeman before the Inter-Agency Management Analyst Conference, Occidental Restaurant, Washington, D.C. June 5, 1961 12:00 noon, EDT

An administrator should feel reasonably secure that his program is not over-staffed or that it overlaps other programs or that it is the product of over-weening ambition, Secretary Freeman said.

"In meeting such needs in the 60's, we must make a prudent reexamination of how we got where we are" and then ask "what means are availabe to us for achieving further economy and efficiency and yet for providing an adequate program."

USDA 1762-61

U.S. Department of Agriculture
Office of the Secretary

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AGRICULTURE IS EVERYBODY'S BUSINESS

I am very glad of this opportunity to talk to business men about agriculture. It's high time we got together.

Most of you, I realize, have as much to do with farmers and farming as I have; and I am very keenly aware of the fine contributions your industry has made, and continues to make, to the magnificent record of American agricultural productivity.

The ceaseless research, improvement, and innovation in plant nutrition conducted by the companies you represent are part and parcel of the story of modern agriculture; and I want to acknowledge, here and now, the immensely important role you have played in making the American farmer the most efficient producer in all history.

But I do not want to talk to you today in your role as representatives of the plant food industry. Rather, I want to address you in your larger role, as members of the American business community and representatives of great companies serving a wide variety of consumer needs, from plastics to paper to paint, from soap to steel.

For, as I said a moment ago, it is high time someone talked to business about agriculture. That is what I would like to do here today.

Somewhere along the line, a curious dichotomy has developed in our thinking about the economic structure of our country and the interplay of economic forces which produces growth and progress. Our interests tend

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Address by Secretary of Agriculture Orville L. Freeman before the National Plant Food Institute at White Sulphur Springs, West Virginia, June 12, 1961, 11:00 a.m., EST.

to become compartmentalized -- agriculture in compartment A, business in compartment B. I was invited here to speak to you because I am Secretary of Agriculture and agriculture is the prime customer of the plant food industries. I am not often (in fact, never) invited to speak to organizations of business men who serve a general market -- the assumption being, I feel sure, that what the Secretary of Agriculture has to say would be of very little moment to the people in compartment B-for-Business.

But what I have to say about agriculture is of very great moment indeed to every business man, large and small, in the United States. In a literal sense, agriculture is everybody's business...its problems are everybody's problems...its strength is the nation's strength...its weakness is a danger to the total structure of our economy.

Let me illustrate:

Almost 100 billion dollars or nearly one-third of the American consumer's annual expenditure goes for food and clothing produced by or made from the products of agriculture.

About 75 percent of all basic raw materials are of agricultural origin.

More personal income originates in agriculture than in any other industry except wholesale and retail trade and contract construction. In 1959, income originating in agriculture was some 53 percent greater than in the primary metal industries; 72 percent greater than in the chemical industry; more than twice as great as in the automobile and auto equipment industries.

More people are employed in agriculture than in any other single industry except retail trade.

Farm people constitute a market for $40 to $45 billion dollars worth of goods and services -- of which only $26 million is for goods and services used in farm production. The agricultural sector is thus a 15 to 20 billion dollar market for family cars, television sets, home furnishings, appliances, cosmetics, pharmaceuticals, and the whole range of consumer goods.

Some 875,000 man-years of employment is involved in the production, processing, transportation, storage and distribution of wheat and wheat products.

Capital investment in agriculture exceeds $203 billion --- an amount equal to three-fourths of the current assets of all the corporations in the United States, or three-fourths of the market value of all corporation stocks on the New York exchange.

One could go on indefinitely citing statistics like these to emphasize the importance of agriculture in the American economy -- both as an essential prime producer and as an important consumer of everything from lipstick to motor-trucks. But is it not remarkable that anyone should have to cite these statistics -- that it should be necessary to drive home, over and over again, the obvious fact that we cannot afford to put the farmer in a kind of economic isolation ward, treating his problems as though they affected him alone. Yet I find that it is necessary to do just that. Nearly a decade of emphasis on surpluses and subsidies has given the plight of the farmer a false perspective, obscuring the fact that economic maladies affecting agriculture sap the strength and vigor of our

whole economy. Curing them is as surely a matter of concern to the producers of steel and nylon stockings as to the producers of grain and sirloin steak. When the farmer is in trouble, a lot of other people are likely to be in trouble, too.

Right now, the American farmer is in trouble. In 1960, when the per capita income of our non-farm population averaged a relatively whopping $2,282, the income of farm people averaged $986. Farm labor brought 82 cents an hour, in shocking contrast to the $2.29 earned by the average factory worker and the $1.15 minimum wage now prescribed by law. This critical disparity of income has been accentuated by rising costs of production and greater demands for capital investment. The farmer finds himself today almost literally in the position of having to spend more and more to earn less and less -- and any producer in that situation is certainly in trouble.

I am completely confident that this administration is going to have the cooperation of the Congress in its efforts to get at the root of this basic maladjustment in our economy. We must, and we will, increase farm income to a level commensurate with that of other sectors of the economy -- and we intend to do so by enabling farmers themselves to work out ways of assuring a fair return for their investment of capital, labor and skill. This is the whole purpose of the agricultural legislation proposed by the administration and on which I know the Congress will in due course, act favorably.

Your personal interest in agriculture will have made you familiar with the provisions of that bill -- I need not go into the detail of it here. But I do want to say several things about it. USDA 1832-61

First, I want to make it clear that the administration does not consider the proposals it has put before Congress to be engraved indelibly and immutably on stone. Since the first moment the bill was introduced -- and even before -- we have been in consultation with congressional leaders whose long experience with agricultural matters makes their judgment invaluable. We have encouraged them to suggest changes that will make the legislation more workable and effective without compromising the basic principles inherent in the approach we have proposed.

Second, I want to emphasize something that seems to have been all but buried under an avalanche of misinterpretation about the administration's farm program -- and it is this: The proposed bill does not arbitrarily impose any program on any producer. It does not establish agricultural programs. It sets up procedure and guidelines under which programs can be worked out for all commodities -- if, and only if, producers want them. If the producers of Commodity X are satisfied with present conditions, no program will be initiated. Or if a substantial number of the producers of Commodity X turn down a proposed program it will not go into effect. The bill enables farmers to develop and participate in commodity programs -- it does not make it mandatory for them to do so.

I can assure you that we are not seeking ways to regiment, control, regulate, or coerce American agriculture. We are trying to do just one simple, elementary thing -- to give the farmer an even break in the economy of the United States. And this, believe me, we shall do.

Piled on top of the farmers' economic problem is trouble of another kind -- public relations trouble. For nearly 10 years past he has been scolded and derided as the creator of surpluses and the recipient of subsidies. Consumers think he is responsible for high food prices; taxpayers think he is responsible for high taxes; a large part of the non-farm public

imagines him, I fear, as a fellow in well-cut overalls behind the wheel of a Cadillac paid for by Uncle Sam. These images are distorted, unfair, and destructive. They must be changed.

I think your industries can help to change them. I say to you quite frankly that in my opinion, it is good business for American industry to help get the picture of American agriculture back into proper focus.

Let me be explicit. Since I have been Secretary of Agriculture, I have heard a great deal about agri-business and the important economic relationship between the farmer and the industries that supply his agricultural needs. But I have not seen in our great mass circulation magazines an institutional advertising campaign supported by such an industry to help get across the true story of modern agriculture and its contribution to our times.

Nor have I turned the dial of my TV set to an industry-sponsored program about agriculture as a science or farming as a way of life.

What the Government can do along these lines is limited, as you know. But is it too much to hope that American business -- and particularly that segment dealing directly with agriculture -- will now pitch in and help to translate the facts about farmers and farming into an accurate image in the public mind?

I was frankly dismayed by the lack of understanding regarding agriculture which I found when I took office a little less than five months ago. I was appalled to find how wide the gap really was -- how great a chasm separated the misconceptions from the truth.

Is there any other major producer group in this country whose mounting success in fulfilling its primary function is rewarded by increasing economic distress? That is what has happened to agriculture -- an increase of 29 percent in production over the past decade, but a decrease of 26 percent in net income.

This just doesn't make sense. If some of the highly organized, and highly vocal U.S. industries were put through an economic squeeze of these dimensions, they'd yell so loud we'd hear echoes coming back from the moon.

Yet I found when I took office a widespread belief that farmers were responsible for the alleged "high cost of food." Actually, the real cost of food in this country -- the cost in terms of how much labor it takes to buy it -- is lower than anywhere else in the world -- one-fifth of our take home pay.

Yet the average citizen recognizes neither agriculture's success in providing him with the world's best and least costly diet -- nor agriculture's economic distress which flows directly from the fact that the farmer is the only major producer who cannot influence the reward he receives for his productive efforts.

Compared with the Russians our farmers annually produce some 80 percent more output on one-third fewer planted acres -- and with only one-eighth of the number of workers employed in agriculture.

This is a comparison of almost staggering significance. That some 6 million persons working on U.S. farms should produce 60 percent more than 48 million persons working in Russian agriculture is almost unbelievable -- but it is true.

Our farmers have achieved for us the dream that man has sought through the centuries. For the first time, we in the United States can produce enough food and fiber to meet all our own needs, with vast quantities left over to help supply the needs of millions throughout the world. This is an achievement of far greater consequence than putting a man in space. Meat, milk, fruits and vegetables in the hand are far closer to man's basic needs than a star in the sky. There is no better propaganda in all the world than the success story of American agriculture.

The success of the U.S. farmer can be the secret weapon in our effort to make democracy and freedom the revolutionary force in a world of rising expectations.

I started out this morning by saying that agriculture is everybody's business -- and why. I want to come back to that idea and emphasize it once again before I close. I want to urge you, as the representatives of business, to carry the message and spread the word.

For what happens in agriculture touches the lives of every one of us in one way or another. There is a direct and positive relationship between the balance-sheet of the man who farms the land in Iowa, Texas or California, and the balance-sheet of the man who directs a giant corporation in Pittsburgh, Chicago, or New York.

Let's stop talking and thinking about the problem of the nation's agriculture and start talking and thinking about agriculture's contribution to the nation.

USDA 1832-61

U. S. Department of Agriculture
Office of the Secretary

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I am glad to meet with you today during your 78th annual convention, for it gives me an opportunity to talk to businessmen about agriculture -- and it is high time we got together.

You represent a market -- a big, reliable and expanding market -- for many of the products our farmers produce -- sugar, nuts, fruits, butter, powdered milk and dry skim milk, to name a few.

But I do not want to talk to you today primarily in your role as representatives of the confectionery industry. Rather I want to address you in your larger role, as members of the American business community and representatives of firms serving an important consumer need.

As I said a moment ago, it is time someone talked to business about agriculture. That is what I would like to do here today.

Agriculture is today one of the most productive elements of our economy -- it is explosively productive. And it is this productivity which lies at the bottom of both the problems and opportunities in agriculture.

Because of agriculture's productivity, over 90 percent of our population today looks to less than 10 percent of our people for the food and fiber necessary to sustain a generally high standard of living. In fact, most Americans are today two and three generations away from the farm. Now this is both good and bad. It is good because more than nine out of every ten Americans are available to produce goods and services other than those required for basic food needs.

An address by Secretary of Agriculture Orville L. Freeman before the National Confectioners Association, Noon (CDT), June 13, 1961, the Conrad Hilton Hotel, Chicago, Illinois.

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But it is bad because nearly everyone of those nine out of every ten Americans tends to accept an abundance of food and fiber with the same complacency as they do the water they drink and the air they breathe.

The business community, by and large, puts agriculture in a special compartment and listens to little that is ever said about agriculture except for some cherished misconceptions. The attitude implies that there is little of interest in agriculture to the people in compartment B-for-Business.

Yet agriculture is of great importance to every businessman. In a literal sense, agriculture is everybody's business...its problems are everyone's problems...its strength is the nation's strength...its weakness is a danger to the total structure of our economy.

Let me illustrate:

Almost 100 billion dollars or nearly one-third of the American consumer's annual expenditure goes for food and clothing produced by, or made from, the products of agriculture.

About 75 percent of all basic raw materials are of agricultural origin.

Farm people constitute a market for $40 to $45 billion worth of goods and services -- of which only $26 million is for goods and services used in farm production. The agricultural sector is thus a 15 to 20 billion dollar market for family cars, television sets, home furnishings, appliances, cosmetics, pharmaceuticals, and the whole range of consumer goods.

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Capital investment in agriculture exceeds $203 billion -- an amount equal to three-fourths of the current assets of all the corporations in the United States, or three-fifths of the market value of all corporation stocks on the New York Stock Exchange.

One could go on indefinitely citing statistics like these to emphasize the inportance of agriculture in the American economy -- both as an essential prime producer and as an important consumer of everything from candy bars to motor-trucks. But is it not remarkable that anyone should have to cite these statistics -- that it should be necessary to drive home, over and over again, the obvious fact that we cannot afford to put the farmer in a kind of economic isolation ward, treating his problems as though they affected him alone. Yet I find that it is necessary to do just that. The emphasis on surpluses and subsidies has given the plight of the farmer a false perspective, obscuring the fact that economic maladies affecting agriculture sap the strength and vigor of our whole economy. Curing them is as surely a matter of concern to the producers of steel and nylon stockings as to the producers of grain and sirloin steak. When the farmer is in trouble, a lot of other people are likely to be in trouble, too.

Right now, the American farmer is in trouble. In 1960, when the per capita income of our non-farm population averaged a relatively whopping $2,282 the income of farm people averaged $986. Farm labor brought 82 cents an hour, in shocking contrast to the $2.29 average earned by factory workers and the $1.14 minimum wage now prescribed by law. This critical disparity of income has been accentuated by rising costs of production and greater demands for capital investment. The farmer finds himself today almost

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literally in the position of having to spend more and more to earn less and less -- and any producer in that situation is certainly in trouble.

I would like to cite you a particular case involving the peanut, a product with which I know you are very familiar. You are probably more familiar with the product, however, than with the condition of the farmer who produces it.

I raised the level of price support on the 1961 peanut crop, and I know that the confectionary industry takes a dim view of this action.

You presented your case to the Department and your position was considered most carefully. You pointed out that the level of farm prices for peanuts affects consumption, and we know that this is true.

But we had to take a long, hard look also at what was happening to the peanut grower. We found that between 1950 and 1960 there has been a 20 percent drop in the real price of peanuts. And there was a similar change in the farm value of the peanut crop.

We found on efficiently operated farms on which peanuts are of major importance that the margin of gross income over expenses had been declining for the past several years. On some of these farms -- efficient farms, I repeat -- there were substantial losses. This was tied up with some partial crop disasters in some years -- but this merely underlines the fact that farming risks are so great that an operator can lose more in one bad year than he can save in several years.

And when the peanut farmer begins having economic troubles, those troubles are shared by the community where he trades, by the producer of the goods he normally buys and by the whole economic fabric which is weakened when any of its parts are weakened.

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I am completely confident that this Administration is going to have the cooperation of the Congress in its efforts to get at the root of this basic maladjustment in our economy. We must, and we will, increase farm income to a level commensurate with that of other sectors of the economy -- or to put it more precisely, by enabling farmers themselves to work out ways of assuring a fair return for their investment of capital, labor and skill. This is the whole purpose of the agricultural legislation proposed by the Administration and on which I know the Congress will in due course, act favorably.

Now before you become alarmed that farm programs may work to the detriment of your business, let me point out that farm programs have been and are an important factor in the stability of your industry.

Let me cite the case of sugar. How has that program affected you?

First, domestic sugar prices have been higher, on the average, than they would have been if there had been no sugar program. The returns to domestic growers for sugar cane and sugar beets have been increased.

But sugar prices have been far more stable in this country than if they had been tied inflexibly to the world market. Under this program you paid premium prices for sugar when the world market was low, but you paid prices well below the world level during the period of fighting in Korea in 1950-51 and during the Hungarian and Suez crises in 1956.

In addition, ample sugar supplies have been available, except for the war years and early post-war years, since the program began in 1934.

At times you have wanted supplies to be larger so that the market would be weaker, and the producers have wanted supplies to be restricted so that prices would strengthen. But a balance has been struck. Adequate supplies are available without price-depressing surpluses being created.

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Still, some have contended -- including representatives of industrial users--that there should be no Sugar Act or any form of protection for our domestic sugar producers. What would be the nature of your sugar problem today under such a program?

First, domestic production would be negligible. Supplies from Hawaii and Puerto Rico would be greatly reduced. Probably the post-war recovery of sugar production in the Philippines would have been enormously retarded -- thus opening the way for discontent which springs from economic stagnation.

Cuba would have had a virtual monopoly on supplying our market, and the continued existence of your industry and other important consuming industries in this country would today be subject to the whims of Fidel Castro.

Thus, the prosperity of all segments of agriculture is of vital importance both directly and indirectly to you and to all Americans. And it is to this goal that we are directing our energies today in the form of the farm proposals now before the Congress.

Your personal interest in agriculture will have made you familiar with the provisions of that bill -- I need not go into the detail of it here. But I do want to say several things about it.

First, I want to make it clear that the administration does not consider that the proposals it has put before Congress are engraved indelibly and immutably on stone. Since the first moment the bill was introduced -- and even before -- we have been in consultation with congressional leaders whose long experience with agricultural matters makes their judgement invaluable.

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We have encouraged them to suggest changes that will make the legislation more workable and effective without compromising the basic principles inherent in the approach we have proposed.

Second, I want to emphasize something that seems to have been all but buried under an avalanche of misinterpretation about the Administration's farm program -- and it is this: There is nothing in this legislation to increase the authority of the Secretary of Agriculture that is not already available to him in existing legislation. This bill will actually decrease the power of the Secretary. We are trying to do just one simple, elementary thing -- to give the farmer an even break in the economy of the United States. And this, believe me, we shall do.

Piled on top of the farmers' economic problem, moreover, is trouble of another kind -- public relations trouble. For nearly a decade, he has been scolded and derided as the creator of surpluses and the recipient of subsidies. Consumers think he is responsible for high food prices; taxpayers think he is responsible for high taxes; a large part of the non-farm public imagines him, I fear, as a fellow in overalls behind the wheel of a Cadillac paid for by Uncle Sam. These images are distorted, unfair, and destructive. They must be changed.

I know that the American farmer is sorely troubled by the lack of public understanding. I believe he will do everything within his power to let all Americans know that all he wants is to produce the abundance of food and fiber we need at home and abroad in such a manner that he shares a spot in the bright sunlight of prosperity.

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He has already shown the American public that he means business. Corn and feed grain farmers have voluntarily signed up 26.7 million acres for the 1961 emergency feed grain program. It will mean that almost 26 percent of all corn and feed grain cropland this year will be used for soil conserving practices thus halting the buildup of grain supplies that was threatening to engulf poultry and livestock producers.

But further it means that the corn and feed grain farmer likely will save taxpayers in the range of 600 million dollars net in comparison to the cost they would have had to assume if the existing program had been continued.

In addition, the fact that the farmer has a program allowing him to adjust his production while improving the land resources he manages and increasing his income is having a dramatic, positive effect on the confidence and optimism of the farming regions. And when the farmer is optimistic once again about the future, you find him a better customer.

I think it is very clear that the farmer wants to end the accumulation of crops beyond what can be used and what is needed for security, and he wants to be clear of any continuing dependency on government financial support. Given a realistic and workable program in which he and his fellow farmers can cooperate, I believe he will undertake to demonstrate by action that surplus and subsidy are not characteristics of American agriculture.

I think your industry can help him in this effort, and I say to you quite frankly that, in my opinion, it is good business for American industry to help set the picture of American agriculture back into proper focus.

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Let me be explicit. Since I have been Secretary of Agriculture, I have heard a great deal about agri-business and the important economic relationship between the farmer and the industries that supply his agricultural needs. But I have not seen widely in our great mass circulation magazines an institutional advertising campaign supported by such an industry to help get across the true story of modern agriculture and its contribution to our times.

Nor have I turned the dial of my TV set to an industry-sponsored program about agriculture as a science, or farming as a way of life.

Is it too much to hope that American business--and particularly that segment dealing directly with agriculture -- will now pitch in and help to translate the facts about farmers and farming into an accurate image in the public mind?

I was frankly dismayed by the lack of understanding regarding agriculture which I found when I took office a little less than five months ago. I was appalled to find how wide the gap really was -- how greatly the misconceptions distorted the truth.

Is there any other major producer group in this country whose mounting success in fulfilling its primary function is rewarded by increasing economic distress? That is what has happened to agriculture -- an increase of 29 percent in production over the past decade, but a decrease of 26 percent in net income.

This just doesn't make sense. If some of the highly organized, and highly vocal U.S. industries were put through an economic squeeze of these dimensions, they'd yell so loud we'd hear echoes coming back from the moon.

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Yet I found when I took office a widespread belief that farmers were responsible for the alleged "high cost of food." Actually, the real cost of food in this country -- the cost in terms of how much labor it takes to buy it -- is lower than anywhere else in the world -- one-fifth of our take home pay.

Yet the average citizen recognizes neither agriculture's success in providing him with the world's best and least costly diet -- nor agriculture's economic distress which flows directly from the fact that the farmer is the only major producer who cannot influence the reward he receives for his productive efforts.

Compared with the Russians our farmers annually produce some 60 percent more output on one-third fewer planted acres -- and with only one-eighth of the number of workers employed in agriculture.

This is a comparison of almost staggering significance. That some 6 million persons working on U. S. farms should produce 60 percent more than 48 million persons working in Russian agriculture is almost unbelievable -- but it is true nevertheless.

Our farmers have achieved the dream which man has sought through the centuries. For the first time in memory, we in the United States can produce enough food and fiber to meet all our own needs, with vast quantities left over to help supply the needs of millions throughout the world. This is an achievement of far greater consequence than putting a man in space. Meat, milk, fruits and vegetables in the hand are far closer to man's basic needs than a star in the sky. There is no better propaganda in all the world than this enormous and true success story of agriculture in a democratic and free system.

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The success of the U. S. farmer can be the secret weapon in our effort to make democracy and freedom the revolutionary force in a world of rising expectations.

I started out today by saying that agriculture is everybody's business -- and why. I want to come back to that idea and emphasize it once again before I close. I want to urge you, as the representatives of business, to carry the message and spread the word.

For what happens in agriculture touches the lives of every one of us in one way or another. There is a direct and positive relationship between the balance-sheet of the man who farms 160 acres in Iowa, Texas or California, and the balance-sheet of the man who directs a giant corporation in Pittsburgh, Chicago, or New York.

Let's stop talking and thinking about the problem of the nation's agriculture and start talking and thinking about agriculture's contribution to the nation.

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U. S. Department of Agriculture
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I have been interested in this National Conference on International Economic and Social Development for many years, as in several successive conferences I served as co-chairman along with Charles P. Taft. I am very happy to appear now in another capacity. I know that Mr. Taft will make the same effective contribution to the success of this conference as he has always made, and I am especially pleased that my former role as co-chairman is being filled by my good friend and neighbor Governor Gaylord Nelson.

In contemplating this kind of repeat performance it seemed a natural thing to review the past and to ask myself certain specific questions.

First, the question that I suppose everyone in public life must ask himself now and then -- did I say anything on those previous occasions that I wouldn't say now?

I have reviewed the records in search of the answer to this question and I find two things of interest. I find that more than three years ago at one of these conferences I did propose something that I would not need to propose today. Some of you may recall that in 1958 I suggested that we establish (and I am now quoting:

> "a kind of interneship program on a large scale; -- a program under which selected and well-qualified young people would agree to spend a year or two giving of the services for which they were trained in foreign areas where such services are needed; giving of their services willingly for little or no monetary reward; and living under conditions comparable to those of the people with whom they work."

Address by Secretary of Agriculture Orville L. Freeman at the Eighth National Conference on International Economic and Social Development - Shoreham Hotel, Washington, D. C., June 15, 1961, 1:30 p.m., EDT.

Today this idea that we discussed three years ago is being carried out by the Peace Corps launched by President Kennedy.

When we discussed this program in 1958 there was no government program of this kind. Accordingly I suggested that voluntary organizations themselves could make a major start in this effort. Now that the Administration has taken the lead, I should like to again urge the importance of participation by voluntary organizations such as those you represent by quoting some of the advantages of such participation as I expressed them three years ago.

"Such a program could enlist the participation of almost every group in our society. To most of our churches the program would be nothing new. But what if our principal labor unions would adopt a program of carefully selecting, training, and guiding young people who would go abroad to teach skills--either organizational or technological -- in areas where they were needed, with their expenses covered by their union? What if each medical society that is large enough would finance a young doctor? What if business organizations would select young people and train them for a year or two of assistance in office management, or production control, or the use of business machines, to be carried out in those areas abroad where people are struggling toward the kind of standards we have, and they want? What if women's organizations, cooperative organizations, and service clubs would do likewise?

"This would be a real people-to-people program, enlisting the support and energy of citizens throughout our nation. The young men and women who participated in such a program would gain invaluable experience and understanding. The groups who sponsored them would gain in a like manner. I believe that the good will and international understanding that could be thus developed would exceed our greatest expectations.

"Of course, there would need to be coordination and cooperation with government, our own and those of other nations. But I believe that a serious consideration of this kind of program could result in practical, workable, and extremely valuable developments, not the least of which would be the impact of such a truly voluntary, unselfish program on public opinion, here in the United States and around the world."

The Kennedy Peace Corps has very wisely contemplated the participation of voluntary organizations. I would therefore, this year, express the hope that your organizations will make a positive and effective effort to contribute to

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this program. I believe there is a definite function for voluntary organizations that cannot be performed as effectively by government.

A second position that I noted in reviewing my files relating to participation in this conference in former years was an emphasis, in the spring of 1959, on the importance in our foreign aid program of investment in people, in literacy, in technical skills and useful knowledge, in training in democracy -- all important phases of a total effort for education.

This emphasis needs to be made even more strongly today. Our investment in people may be more important than our investment in things. Where our attempts at foreign aid have not gained the results we sought, quite often the need for this kind of investment has been a contributing cause. I would like to point out again today that "the key to economic growth, in the United States as well as in all other countries in which economic growth has progressed rapidly and considerably, lies in the formation of human capital by investment in people." This principle is the prime reason for major international efforts in the health field, in the program for Food For Peace, and in the Peace Corps. Permit me to again emphasize that:

> "If we can give useful knowledge to people throughout the world we are giving away the one thing that takes nothing from the supply available for us to use and we are giving the most valuable asset we have. We are contributing toward the increased productivity and the higher economic and social standards that are essential to peace and freedom."

A second question that I asked myself as I considered what I might say to you today is one that each of you must likewise have asked. Have we made any substantial gains toward those goals that we have talked about ever since these conferences began, so that we can set our sights on new goals, on more advanced frontiers, today?

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It seems to me that the answer to this question is most sobering and serious. Without question we have in these past years spent much money and devoted much sincere effort in economic aid. Without question we have helped save the lives and maintained the health of countless men, women and children in far off lands where help was sorely needed. Without question we have stimulated and helped economic growth and development in various parts of the world. Without question some of the food we donated to voluntary agencies for use in school lunch programs has not only helped to nourish children but has brought them to school for the first time.

But it is also without question that the broader goals that we have sought to achieve by this effort today seem at least as far away as they were when the first of these conferences were held. For the broader goals that we sought by these efforts are to expand the outlook for security and peace and freedom in the world. These goals are as seriously in jeopardy today as they were then.

The President of the United States has sharply and clearly emphasized the urgency of more effective efforts toward these goals. He has recommended a new and expanded program of foreign aid as a most important part of such efforts. You have heard that program presented this morning by those whose special responsibility it is to plan this program for foreign aid and to "sell" this program to the Congress and to the American people. You who are attending this conference are here, for the most part, becuase you believe in this kind of an expanded program and want to help to insure its successful operation.

I would like to suggest to you today that there is one guiding principle that is indispensable if we are to achieve maximum success both in getting this

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expanded program accepted and in making it effective. There is one point of view of which we should remind ourselves again and again as we each work in our special areas of responsibility. This principle is the imperative necessity of broadening our outlook and our programs, expanding our frame of reference, of viewing the entire larger picture that includes the whole complex of problems that we face -- of occasionally looking at the forest instead of the trees.

In this age of specialization, where more complex skills and particularized effort are demanded in government as well as in every other field, there is an inevitable tendency on the part of those who are most dedicated to the work in their particular fields to overlook the relationship of their efforts to the larger picture. Those who are dedicated to building up our military defenses may not have time to see the inportance of Food for Peace. Those who are dedicated to Food for Peace programs may not see its relationship to shockingly low incomes on American farms and depressed rural areas in America. Those who are concerned about combating Communist influence in "neutral" countries do not all see the intimacy of its connection with social justice and equality of opportunity at home.

I should like to give just a few illustrations of what I mean by a broadened outlook and the larger picture, and I choose most of these illustrations from the field of my own special responsibility -- agriculture.

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Agriculture is, in many ways, an appropriate field from which to approach the problem of foreign aid and economic and social development. Most of the developing countries of the world have agricultural economies, with a high proportion of their people gaining what meager living they do get from farming. Most of them need more food and fiber -- and they particularly need a more efficient agriculture, one more like ours -- if they are to have a sound base for industrial development.

Likewise the solutions to the problems of American agriculture at home must be sought in context of the larger picture that encompasses the world. It helps, but it isn't enough, to say "give away our surplus." Feed grains do not provide the nutritional elements needed by the millions of undernourished children who live far away from refrigeration and even adequate transportation. If we are to make our Food for Peace program most effective we must achieve effective correlation between that program and our domestic agricultural programs. The latter must be based upon adjusting production to the kinds and quantities of farm commodities that can be used both in ordinary markets and under expanded programs for foreign aid.

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The goals of American agriculture and our foreign policy objectives are intimately related. As a part of the larger picture that I am urging today, I would emphasize to all of you, whose presence here indicates your primary interest in foreign aid, that the passage of legislation essential to a sound and healthy agricultural economy here at home -- legislation contemplating flexible agricultural programs, geared to adjusting our abundant farm productivity to both essential needs at home and abroad and a decent income for those who produce to meet those needs -- that this legislation is an essential part of the broader picture.

I should like to give a few more illustrations, from my own field, of what I mean by broadened programs and the larger picture.

We are taking positive steps to expand consumption of agricultural products wherever needed at home and abroad, both in terms of quantity and in terms of quality. When we learned that there was no one who could answer the basic question of just what, and where, the existing world food deficits are, we immediately launched a study of the situation through the USDA's Foreign Agricultural Service in cooperation with the Director of Food for Peace and the ICA. Already, this spring, we have reported the first approximation of that deficit, an informed estimate of shortages that indicate the gap between the actual amounts of food that people in deficit countries have available and the minimum amounts known to be desirable for the maintenance of health and normal physical activity. We are now accelerating a more complete study to be available this fall.

Already -- for example -- we know that, in simplified terms, the

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estimated world food shortage for 1962 will be roughly equivalent to 35 percent of the total U.S. annual milk production, plus 40 percent of the annual U.S. dry bean and pea production, plus 120 percent of the annual U.S. wheat production.

We are now concerning ourselves with more than just the deficit in caloric consumption. Our food programs, of both production and distribution, must take into account nutritional elements, such as protein and calcium, essential for health and vigor. We recognize that in many parts of the world the diets to which the people are accustomed, and which they therefore prefer, are not most conducive to health and vitality. This was illustrated by one of our agricultural attaches in Pakistan who told of a week's trip he had to take, by boat. Enough food had to be taken along to supply him and the Pakistani employee who was to row the boat. Each was to order the food he wanted, and the Pakistani baotman admitted he preferred his own native food. But he decided to order the same food as was supplied to our attache, because, as he said, "After all, I have to have energy enough to row the boat."

Thus we are broadening our program, in a small but very important way, when we add to our concern for food as measured by calories a concern for the kind of nutritionally essential elements that make up those calories.

Another field in which we are broadening our outlook relates to our potential resources for helping underdeveloped areas to improve their own agricultural economies. Technical assistance to plant, cultivate and harvest is important, but in the larger picture this is not enough. We need to be concerned with the development of those institutions, such as cooperatives, credit unions, and educational programs, that have helped so much in the development of our

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own agriculture. We need to be concerned with social engineering as well as mechanical engineering.

If land reform is the crying need, it is not enough to effect a distribution of land to those who farm it. There must be provision for low cost credit, and supervised credit, and farm management training and help. Our own Farmers Home Administration, in developing methods to meet these needs in our own rural depressed areas, has experience and know-how in this field of social engineering. Our Farmer Coopertive Service has similar experience and know-how in helping farmers develop their own self-help institutions. We are now surveying our resources in the Department of Agriculture in talent, in competent and experienced personnel, in all of these and other related fields, so that we may be able and ready to contribute effectively to an expanded foreign aid program wherever and whenever we can.

It could be said -- and it is being said -- that all these and many other suggestions for broader programs in foreign aid just add to the difficulty, the complexity, and the cost of the program. This is only partly true. The most important fact is that they add to the program elements that are essential to its success -- elements that will turn the cost into a worthwhile investment in security and progress.

In a recent article in Foreign Affairs, Ambassador J. K. Galbraith has pointed out that the difficulty with the present aid policy is that it is based on an erroneous and incomplete view of the requirements for economic development. We have, in the main, provided in our aid program for only one of the essential elements -- outside capital -- along with technicians and specialists to advise

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in the development of resources, together with food where it is most in need. He points out that at least four other things are crucial, and he lists these as: (1) a substantial degree of literacy and a sufficient number of highly skilled and educated leaders; (2) a substantial measure of social justice so that the ordinary individual will be able to share in the progress to which he is asked to contribute; (3) a sound and reliable government and system of public administration; and (4) a clear and purposeful view of what development involves.

Galbraith points out that in those countries where all or most of these fa factors are present, as for example, in Israel -- and in varying degrees in India, Pakistan, Ghana, and Nigeria -- foreign aid has been most effective. And, conversely, where critics say that foreign aid has just "gone down the drain," many or most of these factors are missing.

And, as I have indicated, I would like to add to these four points a positive effort to build among the rank and file voluntary, cooperative, self-help institutions -- not directly a part of government -- where such institutions can contribute to social and economic development.

Thus far I have tried to express my conviction that to make our foreign aid program effective in achieving our goals, we must expand it and broaden it to include that investment in people of which I spoke back in 1959. In conclusion, I would like to enlarge the screen still more, to say that -- if we are to achieve our goals in foreign aid we must be concerned with an equally important mobilization of effort and energy on two other fronts: (1) that of maintaining strength to deter aggression; and (2) that of strengthening the home front in terms of the welfare of our people and the maintenance of our freedoms.

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Three years ago, I expressed this need for concern for the total picture as follows:

"Total mobilization of this kind will require real sacrifice -- not for the period of a short crash program -- but for the foreseeable future. And in the United States, in contrast with the situation that prevails with reference to our Soviet antagonist, such total mobilization can only be carried out with the consent of the people. The programs and policies that demand such sacrifice must be supported solidly by an American public opinion, where, in the last analysis the power rests.

"The greatest challenge American democracy has ever faced lies in whether we will support the degree of mobilization required. History has repeatedly shown that free men will sacrifice their fortunes and their lives to maintain their freedom. From the time of the revolutionary army at Valley Forge to the blood, sweat, and tears of World War II, free people have fought and sacrificed -- during fighting wars. But never before have the people of a democracy been called upon to make substantial sacrifices, year after year, decade after decade, during a period when the enemy was not presenting an immediate, c clear, and present dange to their lives and freedom.

"The American people can be expected to make the necessary sacrifices only if they understand why it is necessary and what is at stake. Only a thorough understanding in the minds of all of our people will enable tham to make the right choice.

"Certainly we must accelerate our programs to launch satellites successfully and to develop effective missiles. But we must not do these at the expense of foreign aid. Nor can we do them at the expense of human welfare at home. Rather we must expand our efforts to provide services for our rapidly growing population, and to eliminate unemployment, slums and other sub-standard conditions at home. We must use all the wisdom, understanding, and imagination at our command to develop better and more effective programs for assistance abroad."

When I said that three years ago I believed this total mobilization was of utmost importance. It is just as important, and even more urgent, today.

I believe that the United States -- the Congress and the people -- will accept such a total program more readily than they will accept a more limited program with its consequently more limited potential for success. The problems

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are bigger, but the rewards for solution will be more worthwile. And therefore I ask that we who hope to influence public opinion, and who hope to persuade the Congress of the value of the programs we recommend, give some attention to the larger picture as we press for our own particular and specialized parts of the total scene.

Three years ago the American people were not prepared to make the necessary sacrifices for mobilization on all three fronts, because they were not aware of how much is at stake or how great is the challenge. But this year the President of the United States has repeatedly and forcefully put that challenge up to us. In his stirring inaugural address he appealed to every American to ask not what your country can do for you but what you can do for your country.

I submit that it is the job of each of us personally to repeat the President's challenge in terms meaningful to every American, so that we as a nation can be prepared for the long, hard pull that lies ahead. We must think in terms of the greatest challenge we have ever faced -- on all fronts, domestic and foreign. We must act in these same terms if we are to meet the challenge of leadership toward a world of peace, and progress, and freedom.

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I welcome this opportunity to talk with you about the policies and objectives which President Kennedy seeks for agriculture.

Open discussion of these goals will lead to understanding, and understanding will result in the active support needed to achieve them. I am grateful to you, Mayor Tarver, and to all your associates for arranging this meeting. I am grateful to each of you in this audience. Your presence indicates your interest in helping to solve the problems facing agriculture.

In my efforts to help achieve President Kennedy's objectives for agriculture, I seek the greatest possible cooperation, in the development of policies and programs, from farmers, from farmer's organizations, from consumers, and from the Congress of the United States.

That is my purpose here. That was my purpose when, six days after I took the oath as Secretary of Agriculture, I met in Washington with representatives of farm organizations from all across the nation.

At that first public meeting after I became Secretary of Agriculture, I also promised to be guided by two other basic principles. They are:

First, all of us must become salesmen for American agriculture. We must develop a recognition on the part of the general public of agriculture's contribution to our high standard of living -- a public understanding of the importance of a sound farm program, not only to farmers, but to all Americans. There can be no effective farm program without this understanding.

Address by Secretary of Agriculture Orville L. Freeman before the Southwestern Farm Conference, Rosebud, Texas, June 17, 1961.

Second, a successful program for agriculture must take into account our entire economy, including help for distressed areas, the interests of consumers, our balance of payments problems, our national strength and security, and our position of leadership in the free world.

In short, a successful farm program must be a program for 183 million Americans, because all of us are consumers -- and most of us are taxpayers.

Today I will report to you on the truly national farm program this Administration seeks for agriculture.

Any serious study of farm problems, any serious effort to solve them, must recognize that American agriculture is the outstanding success story of modern time. Our farmers and ranchers are providing food and fiber for this nation to an extent without parallel in history, and they are enabling the United States to feed and clothe millions of people elsewhere in this hungry world.

American agriculture is progressive. American agriculture is efficient.

One hour of farm labor produces four times as much food and fiber as it did 40 years ago. Crop production is 65 percent higher per acre. Output per breeding animal is 88 percent greater.

One farm worker produces enough food and fiber for himself and 25 others.

And productivity of the American farm worker is growing three times as fast as the productivity of workers in industry.

We American consumers are better fed, and at lower real cost, than ever before. An hour's factory work buys 83 percent more round steak, 126 percent more milk, 138 percent more oranges, or 169 percent more bacon than in 1929.

Measured by industrial work time to earn it, food costs less than in most, if not all, other countries. Studies made in 1958 in major cities of the United States and in western European countries prove our great advantage.

To buy a loaf of bread took two to four times as much work in those countries as it did in the United States -- five minutes of work here, 20 minutes in Austria, nearly 12 minutes in France, 13 minutes in West Germany, and 16 minutes in Italy.

To buy a pound of beef sirloin took two to nearly six times as much work as it did in the United States -- 30 minutes' work here; 133 in Austria, 155 minutes in France, 63 minutes in West Germany, and 169 minutes in Italy.

In Moscow in 1959, it took 4 times as much work as it did in New York City to buy a pound of beef rib roast or a quart of milk; 8 times as much work to buy a dozen eggs; 9 times as much work to buy a pound of butter; and 21 times as much work to buy a pound of sugar.

But what about the American farmer whose efficiency and hard work enable us to have abundant food at such a low real cost?

His productive success is rewarded with economic distress. Let's look at a part of the record for 1960. The farmer had to work nearly three times as long as the factory worker to buy food, clothing, appliances, and other products. For example:

Last year, it took over 14 minutes of farm labor to buy a loaf of bread, and only 5 1/3 minutes of factory work.

It took 69 minutes of farm labor to buy a pound of round steak, and 28 minutes of industrial work.

It took 16 minutes of farm labor to buy a quart of milk, and only 7 minutes of factory work.

To buy a man's $50 suit last year, a factory employee worked less than 22 hours; a farmer more than 61 hours.

To buy a $2,000 automobile took 873 hours of factory work and 2,451 hours of farm work.

To buy a $150 washing machine took 65½ hours of factory work and 184 hours of farm labor.

These are NOT comparisons of prices paid by Americans and foreigners. These are comparisons between the real cost of living of Americans.

It would appear that we have had a farm program for everyone except the farmer. Certainly, the farm programs we've had in recent years have permitted farm income to drop far behind nonfarm income.

Farm income per person from agricultural sources is now almost the same as it was in 1947, while farm income from all sources has increased only slightly. In terms of 1947-49 dollars, the average person living on a farm had an income of $830 in 1950 and $828 in 1960. Yet the average nonfarm person has had an increase in income -- from $1,542 in 1950 to $1,804 in 1960.

Underlying this has been the continued squeeze of the cost-price vise. Since 1947-49 the prices the farmer receives for his crops and livestock have dropped 12 percent, while prices he pays have risen 20 percent.

This Administration is working for a national farm program -- a program in the best interest of all our people -- farmers, labor, business, industry, all consumers.

The Agricultural Act of 1961, sponsored by Senator Allen J. Ellender and Representative Harold D. Cooley, would provide such a farm program. It would:

1. Enable farmers to achieve incomes more nearly comparable with those received by other Americans for similar investments in labor, capital, and management skills;

2. Achieve a healthy and increasingly efficient and productive agriculture that will provide abundant food and fiber for each of us at fair prices;

3. Advance our economic growth and national prosperity, through better farm incomes and sound farm economy.

4. Reduce costs of the Federal Government over the long-run; and

5. Get maximum use of our agricultural abundance to meet needs and promote freedom at home and abroad.

The Agricultural Act of 1961 would attack both sides of the farm problem -- over-production and under-consumption. It would enable us to manage and use our abundance for the best interests of all Americans, and for strengthening the newly developing nations of the world.

This proposed legislation would provide farmers with the machinery for coming together to develop supply adjustment programs, commodity by commodity. It would provide democratic methods for approving or rejecting such programs. And it would specifically provide safeguards for consumer interests.

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A committee of democratically chosen farmers -- including a consumer representative appointed by the Secretary of Agriculture -- would consult with the Secretary to develop and recommend a commodity program based on these consultations. To become effective, a proposed program would require approval by the President, sanction by the Congress, and approval by at least two-thirds of the producers of that commodity.

I urge you to note these important points in the proposed Agricultural Act of 1961:

The democratic procedures -- farmer elected advisory committees in consultation with the Secretary would consider and recommend individual commodity programs.

The safeguards -- consumer representative participates -- review by the Congress -- approval by at least two-thirds of the producers.

Flexibility for swiftly changing conditions -- the bill establishes agricultural procedures, not programs. It provides a flexible series of alternatives and, in the process, an open invitation to hard work for all those concerned with the farming economy.

The power of the Secretary to initiate programs will be diminished rather than expanded.

The new approach will give the Congress and its agricultural committees a closer, more direct relationship to agricultural programs than they now enjoy.

The Ellender-Cooley farm bill will cut the cost of Federal farm programs by helping producers bring supply into line with actual needs.

Let's use wheat as an example of how the procedures of the Ellender-Cooley bill could reduce government costs. We know that a supply adjustment program is urgently needed for wheat.

Suppose that, using the procedures of this bill, a program is developed to reduce wheat allotments by 10 percent beginning in 1962, to raise farm support levels and farm income and to provide growers an opportunity for diversion of additional wheat acreage.

Such a program would avoid adding nearly 100 million bushels to government stocks each year, as expected under present authority, and would reduce existing carryover by slightly more than 100 million bushels each year.

Four years of carryover reduction under the proposed program, compared with a four-year extension of existing programs, would avoid taxpayer expenditures for carrying charges and interest of more than $1.1 billion.

On an eight year basis, carrying charges and interest cost of about $2.5 billion would be avoided.

We know that farmers will cooperate in sound and practical programs to adjust production to needs. Corn and grain sorghum growers have just proved it.

Within two and a half months after the Feed Grain Program was signed by President Kennedy, nearly 26.7 million acres on 1,172,000 farms had voluntarily been placed in the program.

Here is proof, also, that practical production adjustment programs will save tax dollars. By placing almost 26 percent of all corn and feed cropland in conservation uses this year, these growers likely will save

taxpayers in the range of $600 million net, in comparison with the cost they would have had to assume if the existing program had been continued.

Such extensive participation in the Feed Grain Program should be heartening to the members of the Congress -- especially to Congressmen from urban areas who said, in effect, "we will give the farmers an opportunity to cooperate together to manage their agricultural plant and see if they will take it."

Feed grain growers did take this opportunity, fully bearing out the faith of the Congress in the American farmer. As a result, members of Congress -- and more and more of those who represent urban consumers -- are taking a more favorable look at permanent legislation such as the Agricultural Act of 1961.

This year may offer the best opportunity the nation will ever have to enact a practical and flexible farm program in the best interest of farmers, consumers, taxpayers, business, and industry. It could be the last opportunity we'll ever have to do it.

For that reason, I am working with a sense of urgency toward the objective of a sound farm program. Many others, including members of the Congress, leaders of farm groups, and representatives of consumers, share with me this feeling of urgency in dealing with the growing problem of production adjustment.

This Administration does not declare that the Agricultural Act of 1961 must be passed as written, or else there will be no farm bill. We are not inflexible on the exact provisions of the bill, but we do say that agriculture must have, and the nation needs, the flexibility which will enable farmers to meet the swiftly changing conditions now running so strongly through the farming economy, and through national and international affairs.

When I became Secretary of Agriculture, I did not pose as a farm expert, but I expressed a sincere desire to learn all I could about agriculture. I am learning. But it is impossible for any one man to have all the answers. That's why we have been in consultation with congressional leaders with long and valuable experience since the moment the bill was introduced, and even before then.

We are eager to discuss and to make changes in the omnibus bill which will improve the ability of the farmer to share in the rewards of his success. In the same constructive sense, we feel there is no point in accepting changes which would weaken the chance of attaining the goals we all seek -- a truly national farm program for the good of all Americans.

In the meantime, we are using all the authority available to the Department of Agriculture:

--to help farmers achieve the greater material reward their successes have earned for them;

--to put our agricultural abundance to work at home feeding the needy and unemployed a better diet and to expand the school lunch and special milk programs;

--to expand the Food for Peace program abroad as a major instrument of our foreign policy;

--to expand credit for farmers; and

--to launch a vigorous rural areas development program to wipe out rural pockets of chronic poverty.

After consultation with agricultural leaders, we have raised price supports for a number of farm crops, including cotton, feed grains, and peanuts.

We have increased consumption of farm products both at home and abroad.

At home, this has meant a substantial expansion in the amount and variety of food being made available to needy families. Since January, the Department has more than doubled the quantity of food available while placing it in the hands of 2.5 million more people. Less than three weeks ago, we opened pilot food stamp projects to enable needy families living in six communities and localities of chronic and high unemployment to purchase food required for adequate diets through regular retail channels. Two more pilot food stamp projects will be started in July.

New commodities have been added to the school lunch program. Distribution of milk through the school milk program has been increased. Federal support for both programs has been expanded.

We already have received from the Congress the authorization to expand our Food for Peace program by $2 billion for the current calendar year. In this way, the potent strength of our farm productivity is being used as an instrument in our quest for world peace and freedom.

We have increased loan funds to enable farmers to build and repair farm dwellings and essential service buildings, and to buy livestock, equipment, feed, seed, fertilizer, and to pay for other farm operating expenses.

The rural areas development program involves the use of low interest credit on well as a reshaping of the Department's resources to provide more technical help to farmers and to rural communities.

These actions, however, will not be enough, because of the root of the farm problem lies in the inability of individual commodity producers to adjust production to current needs at home and abroad. USDA 1887-61

Let's put democracy to work in every part of the farm program. Let's provide farmers the full opportunity to work together to solve their problems. Let's give them the tools that will enable them to keep pace with a strong and growing national economy.

This is the challenge we face. This is the task before us. Let's get on with the job.

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U. S. Department of Agriculture
Office of the Secretary

The U. S. today is participating in the greatest revolution in history -- one far greater than the industrial revolution -- one that opens the door to the potential achievement of production abundant enough to meet human needs, Secretary of Agriculture Orville L. Freeman said today.

"Nowhere has this potential come so close to reality than in the productive achievements of American agriculture. Our abundance in food has shown the way to freedom from hunger -- to freedom from want," he told the first American Food for Peace Council meeting in Washington D.C.

"The crisis of today arises because of the challenge of the new power and new technology of this new revolution. The crisis hinges on the question as to whether free societies or totalitarian dictatorships will shape the revolution and use it to their ends.

"The great opportunity in Food for Peace lies in the role it can play in giving to free societies this victory. American agricultural abundance can be of invaluable influence if effectively used. For to those who are hungry -- food is more meaningful than a man in space.

Excerpts from Address by Secretary of Agriculture Orville L. Freeman to the First National Conference of the American Food For Peace Council, Washington, D.C., June 28, 1961, 11 A.M. EDT.

"The more effective we seek to make our efforts to use Food for Peace, the more important it becomes that these programs should be closely correlated with American farm policy," Secretary Freeman said.

"President Kennedy and this Administration are dedicated to the proposition that our abundant agricultural productivity is an invaluable asset in a world in which the conquest of hunger and malnutrition are essential to economic and social progress

"We are dedicated to the principle of managing and utilizing our abundance in a manner that will contribute the most to meeting human needs, to promoting economic growth, and to the building of free institutions, particularly in those rapidly growing and developing parts of the world where the hope for higher standards is essential to freedom."

Secretary Freeman listed several factors essential for maximum success in the Food for Peace program.

"1 - We must seek to meet human needs, rather than to dispose of surplus stocks, in our special programs for sending food to countries in need.

"2 - Food for Peace programs should be based on the best information it is possible to get, with regard to the world food deficit, and the supplies of food in relation to nutritional requirements on a country-to-country basis

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"3 - Our agricultural economy -- on which we must depend for the food that goes into Food for Peace -- must be sound, healthy, and flexible.

"4 - If the United States is to participate most effectively in shrinking the food deficit in the years just ahead, by making available for use as Food for Peace the kinds and quantities of food needed, our farm programs should be planned realistically and practically in the light of American foreign policy and world food needs.

"This kind of planning becomes increasingly more important as we adopt domestic farm programs directed toward gearing farm production to amounts that can be utilized," Secretary Freeman pointed out. "We seek by every possible method to increase consumption of agricultural products, at home and abroad," the Secretary said, "but we know that even with maximum success in these efforts we can not-- in the years immediately ahead -- use all of every kind of food that the unrestrained exercise of our agricultural genius can produce. Therefore we know that we must manage that abundance. If the requirements of a successful foreign aid program call for more edible oils, or more milk products, but less of wheat and other cereals, then we must encourage that kind of production. And we must do this by means of programs that will offer to the American farmer -- whose genius makes possible a Food for Peace program -- the opportunity to earn a fair income."

Secretary Freeman described studies now under way to ascertain -- for the first time -- just what the world food deficit is now, just what it is expected to be next year and in the years just ahead.

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"The Department of Agriculture in cooperation with the Director of Food for Peace, the International Cooperation Administration, the State Department, and officials in the Food and Agriculture Organization are seeking the best available knowledge about food supplies and food requirements, country by country. We already have preliminary estimates. By next fall we hope to have information indicating, for each country studied, total nutritional requirements in terms of both calories and proteins, and an estimate as to how much of these requirements can be met by domestic production and commercial imports. When we know these factors we can plan foreign aid programs more realistically and intelligently."

The Secretary asserted that a sound and healthy domestic agricultural economy in the United States, based upon legislation that would permit flexibility in the gearing of farm production to commodities that can be used is absolutely essential if this nation is to make a maximum contribution to our Food for peace goals.

"Food for Peace is a wonderful conception," Mr. Freeman said. "But I would remind you that the essential element of the Food for Peace program is food, and that the source of that food in the abundance that makes Food for Peace a reality, is the skill and the labor of seven million Americans who farm our fertile soil. These people have performed marvels of technical achievement, reaching levels of productivity unmatched anywhere in any time. It is to them in the first place that we owe our ability to mount and sustain a Food for Peace program.

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"Yet there seems to be a remarkable apathy toward their problems -- and to our efforts to cope with these problems -- on the part of many who earnestly believe in the Food for Peace idea. I might even ask how many of the people in this audience are familiar with the farm program proposed by the President to the Congress and now awaiting legislative action? How many realize that the prime purpose of this program is to give American farmers the means by which they can adjust the production of food-stuffs not only downward to meet domestic needs, but when necessary, upwards to meet the demands of our foreign policy as well?

"What I am saying to you is simply this: If the Food for Peace idea is to have real vitality -- if it is to serve the high purposes for which it is intended -- then we need sympathetic attention and real understanding of the problems of the people who produce the food. We need equality of economic opportunity for American farmers.

"The farmers should not be charged with the cost of foreign aid," the Secretary declared. "Nor should our foreign aid program be regarded as a solution to the problem of farm surpluses. The American people must understand that an effective foreign aid program and an adequate farm program are both essential to their security and well-being. They are both worthy of support.

"We should and can be proud of our superiority in agricultural productivity. We should, and can, use that superiority in effective programs to use Food for Peace -- and to help the developing countries of the world to improve their own agricultural production. All we need to achieve these goals are appropriate tools, the will to use those tools effectively, and the support and understanding of the people of this nation.

"I sincerely believe that our future and the future of freedom depends in a large measure on the success of our program for foreign aid. As a part of that program, food can be a dramatic and effective force for peace and freedom."

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U. S. Department of Agriculture
Office of the Secretary

Secretary of Agriculture Orville L. Freeman today urged the nation's television and radio farm directors to support action to meet the problems of the nation's recreational "deficit" as well as its agricultural "surpluses."

He told the annual meeting of the National Association of Television and Radio Farm Directors that the nation's recreational resources are increasingly inadequate to meet skyrocketing demands which are being placed upon national forests and national parks.

The Secretary said that the Department of Agriculture is joining with the Department of Interior to develop recreational facilities "as rapidly as possible."

"The old bureaucratic fued between Agriculture and Interior -- between forestry and park services -- is now a dead issue. There is too much to be done to remedy the recreational deficit of America to waste energy on anything but progress," Secretary Freeman said.

"Skyrocketing demands for outdoor recreation opportunities have stretched the recreational facilities of the national parks and national forests so badly that in many places they are deteriorating under the pressure of overuse.

"As the income, leisure time and mobility of the average American increases, we can expect the recreational needs of these people to increase at a substantially faster rate. We must be prepared to meet this need for outdoor enjoyment or pay the price of neglect in terms of outdoor slums and the long range social consequences where leisure outlets are frustrated."

The Secretary, who returned over the weekend from a 3-day tour of National Park lands with Secretary of Interior Stewart Udall and a 4-day tour of National

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A summary of remarks prepared for delivery by Secretary of Agriculture Orville L. Freeman to the National Association of Television and Radio Farm Directors, 10 a.m. Monday, July 10, West Ballroom, Shoreham Hotel, Washington, D.C.

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Forests, noted that he had inspected lands where the absence of camping or picnicking facilities of any kind have meant that thousands of visitors have already damaged the area.

"In the Grand Mesa National Forest in Colorado, where recreational use has jumped 60 percent between 1959 and 1960, I inspected picnic and camping areas which already are suffering from overuse."

Secretary Freeman pointed out that the Department's Forest Service in 1957 had predicted recreational visits to national forests would reach 66 million by 1962.

"Instead, by 1960 about 92.5 million recreational visits were made to the national forests, and we expect for the current year that over 100 million such visits for hunting, fishing, camping, hiking and picnicking will be made by the American people and visitors to this country.

"We expect the leisure time use of the national forests will continue to climb sharply -- by the year 2000 we predict an almost 7-fold increase in recreational visits over the current year's figure."

Secretary Freeman said the principal deficit in the Forest Service is not particularly land -- although he advocated the consolidation of some holdings -- but adequate funds to carry out Forest Service's Operation Outdoors development program to make the national forests into America's playground.

"This deficit must be quickly met if we are to begin developing the full recreational potential of the 154 national forests -- comprising some 181 million acres of land -- which are within the responsibility of the Department of Agriculture.

"I personally inspected on foot and by plane and jeep 14 National Forests last week in Colorado and Utah, and I only hope that the breath-taking beauty of these forests can be made more readily available for the recreational enjoyment of every American who desires to see and use them.

"Secretary Udall is to be highly commended for the vigorous and farsighted approach he is taking to strengthen the national park system as a recreational outlet for an America on the move.

"The Department of Agriculture is proud and happy to join forces with the Department of Interior so that the recreational resources under the jurisdiction of both Departments can be developed as rapidly as possible."

Secretary Freeman urged the farm news broadcasters to carry the story of the need for expanded leisure time opportunities as well as the story of the achievement of the American farmer in producing a food abundance.

"Nowhere on earth, and never before in the history of man has any nation achieved the remarkable record of efficiency and production which the farmers of this nation have done in this century. As a nation we eat better, and cheaper in relation to our income, than any other people -- and we share our abundance with more people than has any nation before us.

"Yet, we neither fully recognize this powerful instrument for world peace, nor do we appear to want to preserve and strengthen the foundation from which it springs.

"Until we clearly and forcefully demonstrate the magnitude of this achievement to the American public, we cannot adequately portray the need to manage this abundance so that the farmer can obtain a fair return for his labor and capital and the nation can preserve and strengthen one of its greatest forces for the good of mankind everywhere."

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the N.Y. Herald Tribune
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UNITED STATES DEPARTMENT OF AGRICULTURE

The following is a copy of Secretary Freeman's reply to an article in the New York Herald Tribune about the 1961 Feed Grain Program.

To the N. Y. Herald Tribune: July 22, 1961

You recently carried a story about an upstate New York farmer-businessman who purchased a Cadillac with money paid him by the government for retiring corn acreage. He was whisked to Washington by a Republican Senator from New York for a press conference.

I am not surprised that the Senator should have exploited this rare opportunity to make political hay. But in fairness to the 1,200,000 other American farmers who are cooperating in the feed grain adjustment program, I believe the public is entitled to a more rational view.

The United States has 2.8 billion bushels of feed grains (corn and grain sorghums) in government hands. This enormous supply was built up substantially between 1952 and the present time--during the preceding administration. Nearly a billion bushels were added in the last two years under the no-controls policies of my predecessor. The cumulative cost of handling and storing these commodities since 1952 has totaled more than $1.5 billion. I believe it is imperative to reduce this costly oversupply.

The Feed Grain Program was initiated by this Administration to do precisely that. It will in one year reduce the production of corn and sorghums by more than 800 million bushels; and it will reduce the surplus on hand by several hundred million bushels. The consequent savings to the taxpayer in terms of ultimate carrying costs will be well over $500 million.

Obviously, our national corn production cannot be cut back without the cooperation of the individual corn farmer. In some way he has to be assured that if he cuts corn production in the national interest, he will not be doing so at his own personal expense. In many cases, the amount by which he is asked to reduce production may represent his margin between loss and profit.

The Feed Grain Program therefore offers the farmer this proposition:

If you will cut your normal acreage of corn by 20 percent, the government will compensate you with corn from its surplus stocks in an amount equal to 50 percent of the amount you would have produced. Further, if you want to cut out production on another 20 percent of your normal corn acreage, you will be entitled to compensation--again in corn from government stocks--equal to 60 percent of the normal yield from these additional acres.

The farmer agrees to produce less feed grain--and the national surplus is not increased. In return, he is partially compensated with grain from government stocks--and the surplus is decreased.

How does this square with the fact that an upstate New York farmer-businessman received cash, not grain, for reducing his corn acreage? Very simple: Farmers cooperating in the program receive a certificate representing the government-

held grain they are entitled to. These certificates can be traded for cash--the government's Commodity Credit Corporation will redeem them and get its money back by selling the grain they represent.

This proposition has been accepted as equitable by the operators of 1.2 million farms, representing 56 percent of the corn acreage and 75 percent of the 1959-1960 grain sorghum acreage of the country. This means that 26.7 million acres will be taken out of corn and grain sorghums in 1961.

In 1960 the typical corn-belt hog-dairy farm, with 109 acres of cropland and a capital value of $56,240, had a gross farm income of $11,939, including government payments. Operating expenses were $7,323. The net income of $4,616 figures out to a return of 31 cents an hour for the labor of the farmer and members of his family. Quite obviously the government payments did not go for a Cadillac or any other luxury.

Since some may wonder why the Feed Grain Program does not exclude wealthy farmers, it is pertinent that all government programs for the benefit of the public provide services for the few who do not need them as well as for the great majority who do need them.

Our public schools, for example, provide free education at taxpayers' expense for children whose parents could well afford to educate them.

We have discovered no better way--in education, in social security, in our postal system, or in any other of our government programs. If all of our farmers had the economic advantages of the New York farmer in question, we would not need to be concerned with a farm program.

In his news conference, the New York farmer advocated the elimination of all government farm programs, even though, as he said, "some people will be hurt." What he really meant was that he would not be hurt, while millions of full-time farmers, who have no ancillary business to fall back on, would be left to the mercy of a market that would offer them a return much lower than the shockingly meager one cited above.

This is a solution so clearly repugnant to Americans that it cannot be taken seriously.

/s/ Orville L. Freeman

Secretary of Agriculture

Washington, D. C.

U. S. Department of Agriculture
Office of the Secretary

July 29, 1961

Secretary of Agriculture Orville L. Freeman said today that one of the major problems facing the American farmer is a surplus of "misconceptions and overworked cliches" which the public holds about farming.

Speaking to a public meeting in the Farmers Market in Moultrie, Ga., the Secretary said the cost of such surpluses is high in terms of misunderstanding between the farmer and those who depend on him for food and fiber.

He cited four misconceptions:

*The farmer is responsible for the alleged high cost of food.

*The farmer is getting rich at the taxpayers expense.

*The farmer demeans himself by participating in farm programs.

*Increased efficiency, improved practices and cost cutting are by themselves an answer to farm price and income problems.

"These misconceptions -- and others -- and the overworked cliches which have grown from them have caused an erosion of public understanding and a loss of goodwill which is costing more in terms of misunderstanding than either the farmer or consumer can afford."

The facts which have not received adequate public attention, the Secretary said, are these:

*The farmer is responsible for making food a bargain. The American consumer is better fed, and at lower real cost, than ever before, here or anywhere else in the world. The average consumer spends 20 percent of his income on food, which is less than consumers pay in any other nation.

Excerpts from speech prepared for delivery by Secretary of Agriculture Orville L. Freeman to a public meeting in the Farmers Market, Moultrie,Ga., 11 a.m. Saturday, July 29, 1961

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*The farmer today receives 12 percent less for a typical market basket of farm-grown food than he did about 10 years ago. He gets only 39 cents out of every food dollar which the consumer spends today, or about 10 cents less than he got 10 years ago.

*Farmer participation in agricultural programs, such as the feed grain program, will ultimately result in savings to the taxpayer of about $750 million dollars.

*Farmers have tripled their output per hour since 1940, but the increase in farm output has been accompanied by a steadily declining income. Increased efficiency either must be tied with a reasonable means of adjusting production or with a way to increase the food capacity of the human stomach.

"Something is very wrong when the farmer has to work nearly three times as long as most other Americans in order to be able to buy the same food, clothing, appliances and other products.

The Secretary noted the difference in buying power between the farmer and the worker in industry. A loaf of bread took 14 minutes of farm labor in 1960 as compared to about 5 minutes of factory work, roundsteak took 69 minutes as compared to 28 minutes, while a quart of milk took 16 minutes as compared to 7 minutes.

"It would serve no particular interest to bring the worker down to the level of the farmer, but it would be of immeasureable public benefit if the purchasing power of the farmer were raised more nearly to the level of the other segments of the economy," Secretary Freeman said.

(more)

"The farmer is participating willingly in the technological and scientific revolution which now is sweeping agriculture, but he suffers from a lag in the techniques which will allow him to benefit from his abundance to the same extent as has the consumer."

The Secretary said that efforts to provide the farmer with a better bargaining position in the marketplace have been attacked because they provide benefits to the relatively few high income farmer as well as to those with lower incomes.

He said that if all programs are to be ended because "they bring financial benefit to some who do not need it, then we are undercutting the basic concept upon which democracy is based -- namely, we seek to do the greatest good to the greatest number.

"If all programs designed to serve the general public had to be eliminated because they benefit the rich as well as the poor, we should have to do away with cheap postal rates, public health activities, social security and a host of other public services.

"In truth, the farmer should be praised not only for the abundance which he has produced, but also for the support he has given to programs which will halt the costly buildup of surplus commodities. The result of this support is to reduce the cost of farm programs to the taxpayer and to give an economic shot in the arm to rural communities."

The Secretary pointed out that the more than 14,000 Georgia farmers who put 322,000 acres of corn land in the 1961 feed grain program will place almost $5 million into the State's farming economy.

(more)

He said the program is one phase of the Kennedy administration's overall approach to the problem of low farm income.

"When we came into office six months ago, we found that the incomes of farm families had fallen lower compared with those of nonfarm families than at any time since the 1930's. We have moved promptly and decisively to correct this injustice."

The Secretary noted that the actions taken early in the administration to raise the level of farm price supports, together with the feed grain program, will increase net farm income this year by about one billion dollars -- approximately 10 percent above 1960 farm income.

As a result of higher farm price supports, Secretary Freeman said, income from farm crops should net important increases to Georgia farmers this year. Based on average production figures for 1960, income from cotton should be up about $1.5 million; soybeans, $700,000; and peanuts, $5.5 million.

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U. S. Department of Agriculture
Office of the Secretary

3 Conv. Society America, 16th ann. meeting July Lafayette, Ind. '61

WISE LAND USE -- A NATIONAL GOAL

2 It is a great pleasure for me to meet here at a distinguished land grant college with a group of men and women dedicated to the conservation of our country's land and water resources.

As your president said in his introduction, I have a long-standing interest in conservation. I dealt intimately with resource programs for many years as Governor of Minnesota. Now, as Secretary of Agriculture, the Nation's interest in soil, water, and forest conservation is one of my major concerns.

I like the way your Society's objective is stated. "Advancement of the science and art of good land use" expresses in a phrase the rational, twentieth-century approach to man's oldest and most fundamental occupation -- the quest for food. Happily for us, that quest has ended in an abundance of food unparalleled anywhere in any time; in our society the science and the art of good land use has flourished and

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Address by Secretary of Agriculture Orville L. Freeman at the 16th annual meeting of the Soil Conservation Society of America, Memorial Union, Purdue University, West Lafayette, Indiana, July 31, 1961, 7:30 p.m., CDT.

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advanced to undreamed of levels of production.

But in the lexicon of human disaster, the word famine is not yet obsolete. Even in this age of the scientific break-through, even as man reaches out to new planets, three-fourths of the people on this planet still struggle day in and day out to get enough to eat. For them the quest for food remains infinitely more important than the conquest of space.

And yet today, for the first time in all history, it lies within man's power to banish the specter of hunger forever from the earth. This we have demonstrated. In our free system, initiative and skill have combined with science and technology to prove that the end of man's quest for food -- the ultimate goal of enough-to-go-around -- is at least in sight. The achievements of American agriculture in the science and the art of good land use beckon the imagination, challenge the initiative, and sustain the hope of peoples everywhere.

But like the prophet without honor in his own country, the American farmer, I fear, is vastly under-valued in his own America. And on this I can give you some specifics:

--- In 1960, when the percapita income of our non-farm population averaged $2,282, the per capita income of farm people averaged $986 -- and that included government

payments and income from outside sources!

--- With factory workers earning an average of $2.29 per hour, farm labor brought only 82 cents per hour!

--- During the past 10 years when agriculture increased its production 29 percent, agricultural income decreased 26 percent!

This is only a fragment of the sorry story told by the cold statistics of farm income -- but it will serve to illustrate the fact that the American farmer, for all his dramatic success in the science of agriculture, is a very low man indeed on the economic totem pole.

It is high time the vast urban majority in our industrial society got the facts straight about the dwindling agricultural minority whose productive genius enables this nation to be better fed and better clothed than any other in the world. Let me mention some more specifics:

First, about efficiency: In a society that glorifies efficiency, the farmer in the last ten years has increased his output at an annual rate of 6.2 percent; the rate in non-agricultural industries was 2.9 percent. Output per man hour in agriculture in 1960 was more than three times what it was in 1940, and almost double what it was in 1950. Last year, one farm worker produced food enough for 26 people; twenty years ago

he produced enough for about 11.

In short, while the farmer ranks down at the bottom on the index of income, when it comes to productivity, he is up at the top. This is a paradox that defies logic and mocks at fairness.

Second, as to comsumer values: Here I am talking straight to Mrs. Housewife, who tends to blame the farmer for the big bill she pays at the supermarket counter for a basket-full of essentials -- including, incidentally, lipstick, paper products, imported sardines, furniture polish, and Volume III of a new encyclopedia. The plain fact is that Mrs. Housewife today gets more food for her money than she did ten years ago -- and why? Because the rise in farm productivity has moderated the rise in retail prices of food and fiber.

True, the cost of food has risen 20 percent since 1947-49. But the cost of all other items in the cost of living index has risen 30 percent. Transportation costs have gone up 46 percent; housing 31.5 percent; medical care, 56 percent.

What the household budget-keeper doesn't realize is that the retail cost of her typical market basket of U. S. farm grown foods -- excluding the imported sardines and coffee, for example -- has risen only 12 percent while marketing costs have gone up 36 percent. She doesn't understand, I feel sure, that the farmer's share

of the dollar she spends for U. S. grown foods has decreased 22 percent since 1949.

Finally, as to the total economy: I would remind industry and business that the farmer spends 25 to 26 billion dollars a year for equipment, goods and services needed to produce the country's food and fiber. He and his family spend another $15 billion a year for ordinary living items -- everything from teacups to TVs.

Farmers buy $2.5.to $3 billion worth of tractors, machinery equipment, and motor vehicles a year. They spend $3.5 billion for fuel, lubricants, and maintenance; $1.5 billion for lime and fertilizer

Every year agriculture uses products containing enough rubber to put tires on 6 million cars; and more electric power than Baltimore, Chicago, Boston, Detroit and Houston combined.

Four out of every ten jobs in private employment are related to agriculture. Ten million people work at storing, transporting, processing and merchandising agricultural products. Six million work at producing the supplies farmers use.

Does anyone need a slide-rule to work out the correlation between the economic welfare of agriculture and the economic welfare of the Nation as a whole?

If you are wondering what all this has to do with conservation, let me say that is has everything to do with it. I believe that conservation is a matter of people as well as principles and practices. And if we are concerned with the conservation of resources -- as we surely are -- we must begin, it seems to me, with concern for the people who use those resources -- the people who are, in a sense, their custodians in our time.

These are the farmers and ranchers of America -- who own and use 1.1 billion acres of cropland and pasture, rangeland and woods, upland and lowland, marsh and mountainside, that make up the thousands of watersheds that make up the hundreds of river basins that add up to most of the precious resources of soil and water, forest and wildlife that we are determined to conserve.

I make this point, quite frankly, because I believe it is incumbent upon you and me to look at the problem of land use and resource conservation in human as well as technical terms. Intrinsically and inseparably, what we call the "farm problem" is part and parcel of the conservation problem. Until we have dealt with one, we shall not fully succeed in dealing with the other. I ask you to keep this in mind -- and more, to support in every way you can the determined efforts being made by this Administration to bring economic equity

to agriculture. In so doing, you will serve the cause of conservation.

We know that good land use pays off -- but we also know that it costs money. A direct correlation between farm income and the individual farmer's willingness to adopt and continue sound land use practices is clearly reflected by the experience of the Soil Conservation Service. An agriculture harassed by sub-standard levels of income -- with all that that implies in terms of priorities of outlay -- is less likely to be willing, or able, to use the land as it should be used.

As I see it then, we must come to grips with the physical problems of land use, the economics of production adjustment and farm income, the social necessities of rural rehabilitation, as a totality, conscious of the intimate interrelationship between them.

Agricultural policy must look not only to balanced supply and demand and higher levels of farm income, but to better use of the land and allied resources. Conservation policy must look not only to better use of land and water, but to more efficient and rewarding farming. Both policies must merge in programs designed to relieve or eliminate rural areas of chronic distress, to enlarge and improve facilities for recreation, to harness our rivers against floods, and to provide for orderly urban and industrial expansion.

In this light, conservation takes its place in the mainstream of national action. It becomes a dynamic force affecting not only the nation's future but the nation's present.

This concept of the function of conservation underlies the far-reaching proposals put before Congress by the President just two weeks ago in the Water Resources Planning Act of 1961. These proposals represent an imaginative, immediate, and wholly practical approach to the development, and conservation use of the nation's water and related land resources on a river-basin scale.

I am sure that I need not explain to this audience the increasing urgency of our national water situation in light of the many new and often conflicting demands of agriculture, industry, commerce, urban expansion and recreation. The rich water resources of this country that once seemed virtually inexhaustible are no longer any more than adequate. Indeed, without the most careful protection and wisest use, they could be less than that. Today, as the President has pointed out, we use 300 billion gallons of water every day, much of it wastefully. By 1980, we will need 600 billion gallons a day. The obvious answer is conservation -- and the river basin program will prove, I believe, to be the right approach.

It will be my responsibility to represent Agriculture on the Water

Resources Council to be set up under the pending legislation. Other members are the Secretary of Interior, the Secretary of the Army, and the Secretary of Health, Education and Welfare. Together, it will be our function, as stated in the proposed Act, "to establish principles, standards and procedures for the preparation of regional or river basin plans, and for the formulation and evaluation of Federal water resources projects."

The Act also authorizes the President to create River Basin Commissions to coordinate Federal, state and local plans for the development of water and related land resources in any region, river basin, or group of river basins.

I believe the creation of this Cabinet-level Council, combined with the establishment of River Basin Commissions, will provide long-needed machinery for ending the fragmentation of authority and responsibility among Federal, state, and local agencies which has impeded any orderly attack on the nation's increasingly critical problem of water supply.

I call your attention to the fact that the Council as well as the Commissions will deal not only with water but with <u>related land resources</u>; and I assure you here and now that the importance of land use measures in the contributory watersheds will not be overlooked in the development of river basin programs.

On the contrary, the river-basin approach will give new impetus and significance to the conservation functions of the Forest Service, the watershed protection program of the Soil Conservation Service, and the work of the 3,000 Soil Conservation Districts whose evolution from an idea to a network of local mechanisms covering four-fifths of the land area of the country has been one of the most astonishing and gratifying phenomena of social action in the last quarter century.

The President's water resources program can become a major milestone in our progress toward a realistic and effective pattern of resource conservation. You have an important role to play in it, and I ask you to undertake that role with all the enthusiasm and skill you have so amply and ably demonstrated in the past.

Just how effective that role can be is illustrated by the experience of the little town of Culpeper, Virginia, a few miles from Washington. I want to relate what has happened there -- and as I do so, I hope you will keep in mind what I have said earlier about the interrelationship between conservation and rural rehabilitation, water development, recreation and other values.

Culpeper was harassed by the dual problems of unreliable water supply and recurrent floods that caused thousands of dollars damage annually to roads, streets, bridges and other improvements in and about the town.

The town fathers joined with the local Soil Conservation District and applied to the Department of Agriculture for technical and financial help in carrying out a watershed project. Costs were shared by the town, the farmers in the watershed, and the Federal Government.

The project called for an intensified conservation program on the farms and woodlands of the watershed, plus a system of three earthen dams on tributaries upstream of the town. Two of these dams were purely for flood prevention, catching flood peaks and releasing water gradually in a flow that the stream channel could handle safely.

The third dam served several purposes. In addition to checking floods, it provided permanent storage for about half-a-year's supply of water, which could be released to supplement the town's supply.

Now completed, the project has produced these results:

A 75-acre lake behind the storage dam has added a tremendous recreational asset to the community.

The assurance of a stable water supply has encouraged three new industries employing some 500 people, to locate in Culpeper.

Bottom land in the city that was formerly worthless because of periodic flooding, is now the site of a thriving shopping center.

Farm lands in the watershed are marked by improved pastures and woodlands, grassed waterways and strip-cropped fields -- visible evidences of a conservation program tailored to fit the needs of each field.

In short, an integrated conservation program at Culpeper has brought direct, present, tangible benefits in the form of better recreational opportunities for the community as a whole, added industry and jobs, new business enterprises, better farms, protected soil resources, and freedom from the perennial damage of floods. Projected into a national focus, integrated planning and action can produce much the same results for the country as a whole.

I know that the Culpeper story has been duplicated in other watersheds and other towns and other soil conservation districts through the country. On the wall of my office in Washington hangs a picture of the East Willow Creek watershed in southeastern Minnesota where, as Governor of Minnesota several years ago, I had the honor -- and the educational experience -- of dedicating the soil conservation project.

But do other people know the Culpeper and the East Willow Creek stories? Does the American public generally understand that this kind of conservation pays off in practical values today as well as in the future? I do not think it does. We have an enormous job of education to do -- you and I -- before the millions of people in the cities of this

country understand what conservation really means to them -- as well as to their children.

I would remind you that the "advancement of the science and the art of good land use" is going to depend increasingly on the comprehension and support of men and women whose contact with the land is insulated by layers of asphalt and concrete.

These are the people who, in the last analysis, will determine the future of conservation in this country. Their understanding of the values involved -- their appreciation of the present and future economic and social rewards -- will be the decisive factor in maintaining a forward-moving, adequately-financed conservation program. They have a right to ask questions; they deserve answers; and it is up to us to produce the facts that lead to understanding.

The public is entitled to know how we justify the expenditure of sizeable sums of money -- its money -- to improve land use and conserve soil when we are already up to the ears in surplus crops. I doubt that it will be satisfied with the answer that it makes no more sense to abandon conservation than it does to abandon polio research because we have plenty of vaccine, or to abandon higher education because we have an abundance of college graduates.

The American public wants to know, in rather precise terms, just what they are getting for their conservation dollar -- what the return will be for unit of input. They think -- and they should think -- in the practical terms of the cost-benefit ratios. Our job is to provide the answers in terms of dollars and cents -- cold economics -- wherever and whenever we can.

Finally, I want to say to you as emphatically as I can that the Secretary of Agriculture and every member of his Department is deeply conscious of his responsibility in this important area of national action. We stand ready, within the limits of our resources and authority, to support and assist the kind of local initiative you represent. The tools of research, education, technical assistance, credit and cost-sharing are at your disposal. Use them.

The position of the administration is unequivocal. One of President Kennedy's first messages to the Congress dealt with the problem of resource use and conservation. It has been followed by the recent message on water resources. We mean to project and carry forward a driving campaign to assure this nation that its heritage of rich resources will not be squandered. And in this undertaking, we shall need all the help you can supply.

I would like to close with a word of appreciation and tribute to the

men and women -- you men and women -- who have made conservation a living reality in this country and a model for the world. You constitute the surest bulwark against the spoliation of the country's basic wealth. Surely no finer or more competent corps of conservation scientists and technicians exists anywhere, and your deeds, you may be sure, have meaning not only for America but for the world.

In the last thirty years, great strides forward have been made. Momentum has built up -- it must not be allowed to dissipate. On the contrary, it must be increased, and it will be. I know the deep conviction of the President. I assure you of my own. I am confident of yours.

Together we are going to forge ahead

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USDA 2422-61

U. S. Department of Agriculture
Office of the Secretary

THE PRICE OF SUCCESS

I am delighted to meet here today with a group of farmer-leaders whose devotion to agriculture has had so much to do with the progress being made by farmers in America.

The price of success is often a new challenge ... and a new opportunity. That is why we are here today ... to explore together a new job to be done ... a new achievement to be wrought .. a new assignment that we hope can be patterned on the success that has been achieved in the 1961 Feed Grain Program.

We now have, as the law of our land, new farm legislation -- the Agricultural Act of 1961 -- a rather detailed and wide ranging document worked out over some several months, in the give and take of compromise, which is the way of legislative progress in our democracy.

This, I believe, is good legislation. It is a major step ahead ... and surely the most comprehensive and forward-looking farm law to be enacted in 20 years. It gives us tools we need to deal with immediate supply adjustment problems -- it strengthens the "self help" available to farmers through marketing orders and credit services.

I might summarize in three points the reasons for my gratification with this enactment:

Better income for farmers can be expected as a result of the temporary legislation for wheat and feed grains, the expansion of marketing order programs, and the improvements in our program for rural credit.

Address by Secretary of Agriculture Orville L. Freeman before an Area Wheat Meeting of Agricultural and Stabilization Committeemen, Oklahoma City, Okla., August 9, 1961.

Savings to the taxpayers will result from the impact of the wheat and feed grain programs in reducing the storage, handling and other costs for these commodities. For the 1962 grain crops alone the savings, below what the old program would have cost, will be between 750 million and a billion dollars.

An open door for future action is implicit in the recognition by Congress that there is a need for supply adjustment and a need for balanced marketing programs. As I see it, this leaves the way open for future legislative progress in furthering our goal of fairness for farmers.

I am especially pleased that Congress has recognized the need for action in the two areas where the inbalance between supply and demand is so great -- wheat and feed grains. As for feed grains, the 1962 program is patterned after the dramatically successful 1961 program. But it will include barley, as well as corn and grain sorghums.

I appreciate, too, the three-year extension and expansion given to the Agricultural Trade Development and Assistance Act. This is the legislation which enables us under Public Law 480 to use our abundance overseas -- where it campaigns for peace and friendship at the stomach level.

I am pleased with the extension of the Wool Act and, of course, the School Milk Program, which has become so much a part of the educational system of this country.

(more)

I should comment, too, on the Great Plains Conservation Program -- which gets special attention in the new law. This program is aimed at long-term conservation planning in selected counties of ten states. It is a pioneering effort. A rather singular one, as well -- working as it does with a wide range of public and private resources to meet land use problems peculiar to the Great Plains.

The Great Plains Conservation Program requires complete planning for 3 to 10 years ahead, with cost-sharing obligated in advance so that the farm or ranch operator knows when he starts out that his conservation plan can be made to come true. Seven thousand farmers and ranchers -- with some 18 million acres -- are now in the program. And another 2700 applications are on hand. The new Agricultural Act extends through 1971 the period during which new applicants can enter the program.

So -- with the new Agricultural Act of 1961 -- we move forward on a wide sector. All in all, it's a good piece of legislation and one we can work with to improve the position of farmers and decrease the public cost of farm programs now in effect. It goes without saying that the Department of Agriculture will carry out its responsibilities under the law, vigorously and with maximum concern for its success.

I would be less than candid if I did not add that I had hoped to get, in this legislation, a more direct and flexible process for the formulation of programs by farmers themselves ... new machinery for adjusting production and marketing to meet changing needs. This we did not get.

(more)

But let me say this: I believe that in slightly over six months we have built up quite a head of steam!

In that time, we have taken actions that by the end of this year, will have increased net farm income on the order of a billion dollars -- a boost of about 10 percent over last year.

We have made an important start along the road of identifying the importance of agriculture in our nation ... and in putting where it belongs the credit for the low-cost abundance we know in this country.

Our legislative accomplishments have been impressive:

The first major legislation suggested to Congress, and enacted, under this Administration was the 1961 Feed Grain Program.

The first appropriation bill to pass the Congress was the Agricultural Appropriations Act of 1961.

Now, in the first half year of the new administration, we have a major and comprehensive farm program written into law.

The energy and momentum that have been built up in these months form a dome of steam that we don't intend to see dissipated. We hope to learn from our experience -- and to continue exploring needs and methods -- to the end that existing programs can be improved and needed programs brought into being.

Now we turn to wheat.

A major provision of the 1961 Act deals with wheat -- and wheat, I know is a major concern to most of us in this room. The new act provides a way to increase grower income from the 1962 crop, by 10 to 15 percent -- while at the same time reducing government stocks and the costs of storage and handling. That may sound like a tall order -- but this is a device that has already proved itself in feed grains.

(more)

Just why is it necessary to do something about wheat?

The fact is that the public now has over 3 billion dollars invested in wheat. The Commodity Credit Corporation owns nearly 1.3 billion bushels and has outstanding loans on another 100 million bushels. That is more than an entire year's supply -- both domestic and export. Besides, under the old program that has been in effect, we could expect to add another 100 million bushels to government stocks from the 1962 crop -- then keep on adding year by year.

Also, things have gotten to the point where those who benefit most are not wheat farmers at all -- rather they are warehousemen, handlers, transportation companies and lenders. We are not against these companies at all, but under the law we are supposed to be helping farmers. In the fiscal year 1960, money paid to non-farmers as a result of the wheat program exceeded by 27 million dollars the amount paid to farmers for wheat taken over by the CCC.

All this has become unreasonably expensive, in relation to the good obtained. For one thing, stock turnover gets slower and slower. Now, every time a bushel of wheat goes into CCC hands, you can expect it to stay there for seven years -- all the time piling up charges for storage, handling, transportation and interest.

Then, if it is exported, an export payment is added. By this time, the CCC's total outlay is probably double the original payment to the farmer. In this way, total costs may pile up to around $3.80 a bushel -- surely an expensive way to assure the fair price that producers deserve.

Now with the new law, Congress has given farmers the beginning of a way out -- if they choose to take it by voting their approval in the referendum

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on August 24. But unless two-thirds of the farmers vote "yes" this opportunity for a new program will be lost.

The new program offers to bring about a decrease in government stocks of about 100 million bushels -- instead of an increase of 100 million bushels. It offers to save taxpayers about 258 million dollars -- 50 million during the 1962 crop year and the remainder during the time that 1962 wheat would remain in storage. Finally, the new program figures to increase net income to wheat producers by 10 to 15 percent.

How is all this to be achieved? After seven straight years of steadily expanding inventories -- how is this reversal to be brought about?

The new legislation provides -- in addition to wheat marketing quotas -- a new "Wheat Stabilization Program." This program -- patterned after the Feed Grain Program -- provides incentive payments for diverting acreage to conservation purposes.

This, of course, hinges on the marketing quota referendum August 24. In order for the new Wheat Stabilization Program to be available to growers -- or for marketing quotas to be in effect at all -- they must be approved by two-thirds of the farmers voting in the referendum.

Time is short, between now and August 24. In these few days, the Department of Agriculture -- through the farmer committee system and the many channels of public communication -- will do its utmost to inform farmers of the referendum and to make known the issues involved. A number of Department officials, in speeches and discussions here at this meeting, will explain the program to be approved or disapproved in this referendum, in every detail.

(more)

now, I would like only to summarize the issues involved, in the most general way, while reminding you that the various exceptions and other details will be covered in information provided to you.

If marketing quotas are approved by two-thirds of the growers voting in the August 24 referendum:

1. Marketing quotas will be in effect on all farms with more than 13½ acres of wheat and on some farms with smaller acreages. The production from excess acres will be penalized at the rate of 65 percent of parity instead of 45 percent as it used to be.

2. Payments will be available to producers who divert 10 percent of their allotted acres to conservation uses, the payments for each acre to be made at 45 percent of the price support rate on the normal yield. For an additional diversion of acres up to 30 percent of the base, payments would be based on 60 percent of the support price.

3. Price support at 75 to 90 percent of parity will be available to producers in the commercial wheat area who comply with allotments and participate in the Wheat Stabilization Program. Based on the present parity level, that price support rate would be at about 2 dollars a bushel.

If marketing quotas are not approved in the August 24 referendum:

1. There will be no acreage controls -- no penalties on excess production.

2. Price support will be available at 50 percent of parity -- but only to those in the commercial wheat area who comply with their allotments. This price support rate at about the present parity level would be around $1.20.

(more)

I might add, parenthetically, that if this latter option should prevail -- that is, if marketing quotas should be disapproved -- there would in reality be practically no program at all for wheat. In only a few years have average wheat prices fallen below 50 percent of parity -- and those, you'll remember, were very difficult years. In 1930, for example, wheat was at 47 percent of parity -- and in 1931 and 1932 prices were at 36 and 38 percent.

So much for the issues involved in the August 24 referendum. To repeat: In order for marketing quotas and the Wheat Stabilization Program to go into effect, they must be approved in the referendum by a ratio of 2 to 1.

I hope that every eligible producer will vote. Make no mistake about it: Every producer's influence will be felt whether he gets to the referendum or not. Whether he wants a program ... or doesn't want it ... or just doesn't care ... every eligible voter's attitude will be reflected there.

We are, I believe, standing at an historic moment. We have before us the opportunity to put into effect the first new wheat program since 1938 -- which is surely a distant time in the history of farming in our country. At the same time, we know that the entire future of farm legislation may turn on the outcome of this program.

Much has been said about the decline in the farmer's representation in Congress and in the halls of our state legislatures. Much could be said about the decline in his economic representation as well, in an increasingly industrial nation where corporations tend to the gigantic and where consumers and urban workers outnumber him many fold.

(more)

I won't dwell on this. It is sufficient to say that the times call for success. There is no room, in agriculture, for failure.

We have this new wheat legislation only because of a success -- that of the 1961 Feed Grain Program, which succeeded as we knew it should, but only because a great many people worked very hard and a great many farmers had the vision to appreciate its objectives.

The chances are that our next farm legislation will have to be built on the success of this program -- Wheat Stabilization. That may seem to put an unfair burden on one program, in one time, and on one group of people. But I believe it is a realistic appraisal of the situation facing farm legislation in this country.

Many had doubted that we would ever get a new wheat program. Certainly -- in the past eight years -- it seemed hopeless to expect that a constructive wheat measure could have been gotten past a Presidential veto, even should Congressional action be obtained.

Now we do have a new wheat program -- available if growers approve it. And, as I have said, we have it because the Feed Grain Program proved that a constructive program could be made to work -- that farmers would cooperate to adjust supplies and reduce program costs to taxpayers.

Farmers signed up for the Feed Grain Program one million 200 thousand strong -- agreeing to divert about a fifth of the Nation's corn acreage and a fourth of our grain sorghum acreage.

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It now appears that -- as a result of that program -- the 1961 corn crop will be about 700 million bushels below 1960. What that means is that, this year, we'll grow less corn than we use, for the first time since 1951. This promises a saving to the public estimated at three-quarters of a billion dollars. (Grain sorghum results are not included since they cannot be estimated until the August Crop Report is analyzed.)

At the same time, the Feed Grain Program has already brought over 300 million dollars into the rural economy, and total payments to farmers will amount to more than 700 million dollars. I credit these accomplishments, in large part, to the efforts of the farmer committeemen.

I can't tell you how pleased I am with the advancement made in the past few months by the farmer committee system. The farmer committee system -- let me tell you -- is a going organization!

Since our action of last spring to revitalize the committee system, I am happy to say that you have made vast and dramatic progress in the areas of initiative, morale and general effectiveness -- all the way to the grass roots.

At that time, we moved to improve the system of electing committeemen and to strengthen the hands of county committees by making them responsible for assignments to community committeemen. Without that new authority -- and the confidence placed by this Administration in the county committees, I am certain that the Feed Grain Program could not have been carried out so effectively. Nor would we be in nearly so strong a position to deal with the job ahead.

(more)

You of the committee system deserve -- and I am sure you are getting -- in increasing measure -- the support of all agencies and organizations in the field of agriculture. I am particularly aware of the excellent educational job being done by State Extension Services to see that farm people get the facts about these programs.

I have always been proud of the farmer committee system. It's an organization unique in the world as an instrument of economic democracy. Today I am prouder still.

It is the price of success that you are being asked again, to take the field on behalf of agriculture ... to explain to farmers the issues at hand ... and urge their participation.

The achievements of the American farmer are without equal in the history of food. To the people of our country, he has brought unprecedented plenty -- a wholesome and nutritious abundance arrayed before us all in an ever-growing splendor.

To the people of other countries, he has shown what the muscles of freedom can do -- how free thought and free action can be harnessed to bring, within sight at least, an end to hunger everywhere.

Too often, the American farmer has not shared adequately in the success he has created. But in 1961 ... with your help ... he is moving ... finally ... definitely ... forward.

U. S. Department of Agriculture
Office of the Secretary

COLUMBIA, MISSOURI--Secretary of Agriculture Orville L. Freeman said today the Department of Agriculture has begun the development of a National Defense Food Policy to enable the farmer to feed the American people in case of a nuclear war.

"This policy is being developed by direction of President John F. Kennedy as agriculture's role in strengthening the nation's defense capabilities and creating a deterrent potential from our food abundance. We seek to use food to help keep the peace."

He said the first step taken by the Department is the proposal for a nationwide Strategic Reserve program to locate supplies of wheat in 191 metropolitan areas of 100,000 persons and over which are assumed by Civil Defense authorities to be target areas.

Secretary Freeman said the Department has worked out a detailed program which will provide a four-month supply of wheat for each person in these areas to be stored in strategic reserve sites.

A fourth of the grain supply for each metropolitan district will be located within the city area while the remainder will be placed in bins in a perimeter area approximately 25 miles from the city core.

The Secretary estimated that the Strategic Reserve program will provide almost 95 million Americans with an easily stored food source -- an average 3/4 pound a day -- which will be available for Civil Defense emergencies.

Remarks prepared for delivery by Secretary of Agriculture Orville L. Freeman to the Missouri Farmers Organization, Columbia, Mo., 11:00 a.m., August 14, 1961.

The program will require almost 160 million bushels of wheat, of which nearly 34 million bushels are presently stored in the target area cities, Freeman said. He estimated that current supplies are adequate for about 16 percent of the people in the potential target areas.

"With this program now through the planning phase and ready to be put in operation, Department personnel have begun a careful review of the requirements of a National Defense Food policy from the farm clear through to the city family.

"It will involve studies of what other food commodities should be placed in Strategic Reserve sites, a determination of what an emergency, austere diet should include, a determination of what a minimum Strategic Reserve diet should include as well as studies of acceptable food concentrates and methods of feeding and distributing food and water to large population centers.

"To consider the food and water needs of people living in big cities under the threat of a nuclear attack is a grim and perhaps humorless business," Secretary Freeman said.

"But the times are critical, and it is the duty and the job of the farmer and the USDA to consider such things. The farmer has demonstrated in time of peace that he can do the job magnificently -- less than nine percent of the population today live on farms and they provide food and fiber for the rest of America and millions of people in other countries.

(more)

"In the kind of an emergency a nuclear attack will generate, the farmer will need a head start, and that is what the Strategic Reserve program is designed to do. The farmer will be able to begin supplying minimal food needs during the period radioactive fallout prevents people from moving about and before the transportation system is put back together."

Secretary Freeman described the National Defense Food policy as a "domestic Food for Peace program which demonstrates conclusively that food abundance is a source of national strength."

"It is concrete evidence that the American people are prepared to survive even the awesome devastation of a nuclear war. If we are prepared physically to meet the unknown emergencies which will result from a nuclear attack, then we are prepared psychologically. And this is a factor of no small importance in the defense capabilities of a nation.

"In this context, agriculture and the farmer serve a purpose which could not possibly be imagined with a vision limited by the twin blinders of surplus and subsidy. Those who thoughtlessly use the word surplus to describe the food abundance of this nation are downgrading a vital part of our nation's defensive capabilities.

"The food supplies we have today -- under the grave world conditions which exist today -- are an investment in the national defense. The strength which they give us is a potent instrument for the protection of freedom. We shall have silos filled with food as well as rockets.

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Secretary Freeman said the Strategic Reserve program will require the movement of a small proportion of wheat now primarily in the middle west to the dispersed bin sites in the 191 target areas. Where storage bins are not available, the Department is prepared to dismantle the bins in which the grain is currently stored and reassemble them at the new sites.

The Strategic Reserve bin sites will be located near milling or grinding facilities whereever possible, Secretary Freeman said.

He said the wheat relocation would cost 47.2 million dollars, or about 50 cents per person in the target areas. The figure includes the cost added by routing the grain to Strategic Reserve sites before the wheat is shipped to a port for export, handling costs, cost of relocating the bins and of special equipment to maintain the grain.

The Secretary noted that earlier discussion of the program had raised two immediate questions -- how can anyone eat raw wheat, and won't stored grains be contaminated by radioactivity.

Secretary Freeman said that a big circulation newspaper had "great fun ridiculing the Strategic Reserve wheat program because the editor couldn't see how he could eat wheat."

Readers set the editor straight, the Secretary noted, by writing to point out that wheat can be chewed if people are hungry, it can be ground and parched over a fire and eaten, it can be boiled and made into a cereal and it can be soaked and eaten.

"It only takes a little bit of hunger to bring out the resourcefulness of people," Secretary Freeman noted.

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U. S. Department of Agriculture
Office of the Secretary

THE 1961 WHEAT REFERENDUM

I am delighted to meet here today with a group of farmer-leaders whose devotion to agriculture has had so much to do with the progress being made by farmers in the eastern part of the United States.

The price of success is often a new challenge . . . and a new opportunity. That is why we are here today. . .to explore together a new job to be done. . .a new achievement to be wrought. . .a new assignment that we hope can be patterned on the success that has been achieved in the 1961 Feed Grain Program.

We now have, as the law of our land, new farm legislation -- the Agricultural Act of 1961 -- a rather detailed and wide ranging document worked out over some several months, in the give and take of compromise, which is the way of legislative progress in our democracy.

This, I believe, is good legislation. It is a major step ahead . . . and surely the most comprehensive and forward-looking farm law to be enacted in 20 years. It gives us tools we need to deal with immediate supply adjustment problems -- it strengthens the "self help" available to farmers through marketing orders and credit services.

I might summarize in three points the reasons for my gratification with this enactment:

Better income for farmers can be expected as a result of the temporary legislation for wheat and feed grains, the expansion of marketing order

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Address by Secretary of Agriculture Orville L. Freeman before an Area Wheat Meeting of Agricultural Stabilization and Conservation Committeemen, Nashville, Tenn., August 14, 1961, 7 p.m. (CST)

programs, and the improvements in our program for rural credit.

Savings to the taxpayers will result from the impact of the wheat and feed grain programs in reducing the storage, handling and other costs for these commodities. For the 1962 grain crops alone the savings, below what the old program would have cost, will be between 750 million and a billion dollars.

An open door for future action is implicit in the recognition by Congress that there is a need for supply adjustment and a need for balanced marketing programs. As I see it, this leaves the way open for future legislation progress in furthering our goal of fairness for farmers.

I am especially pleased that Congress has recognized the need for action in the two areas where the imbalance between supply and demand is so great -- wheat and feed grains. As for feed grains, the 1962 program is patterned after the dramatically successful 1961 program. But it will include barley, as well as corn and grain sorghums.

I appreciate, too, the three-year extension and expansion given to the Agricultural Trade Development and Assistance Act. This is the legislation which enables us under Public Law 480 to use our abundance overseas -- where it campaigns for peace and friendship at the stomach level.

I am pleased with the extension of the Wool Act and, of course, the School Milk Program, which has become so much a part of the educational system of this country.

So -- with the new Agricultural Act of 1961 -- we move forward on a wide sector. All in all, it's a good piece of legislation and one we can work with to improve the position of farmers and decrease the public cost

of farm programs now in effect. It goes without saying that the Department of Agriculture will carry out its responsibilities under the law, vigorously and with maximum concern for its success.

I would be less than candid if I did not add that I had hoped to get, in this legislation, a more direct and flexible process for the formulation of programs by farmers themselves . . . new machinery for adjusting production and marketing to meet changing needs. This we did not get.

But let me say this: I believe that in slightly over six months we have built up quite a head of steam!

In that time, we have taken actions that by the end of this year, will have increased net farm income on the order of a billion dollars -- a boost of about 10 percent over last year.

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The energy and momentum that have been built up in these months form a dome of steam that we don't intend to see dissipated. We hope to learn from our experience -- and to continue exploring needs and methods -- to

the end that existing programs can be improved and needed programs brought into being.

Now we turn to wheat.

A major provision of the 1961 Act deals with wheat. In your States, wheat may not be the dominant concern that it is in the strictly "wheat belt" States to the west. Nevertheless, your States represent a proportionate share of the problem in wheat, and stand to benefit proportionately from the new legislation.

The new Act provides a way to increase grower income from the 1962 crop, by 10 to 15 percent -- while at the same time reducing government stocks and the costs of storage and handling. That may sound like a tall order -- but this is a device that has already proved itself in feed grains.

Just why is it necessary to do something about wheat?

The fact is that the public now has over 3 billion dollars invested in wheat. The Commodity Credit Corporation owns nearly 1.3 billion bushels and has outstanding loans on another 100 million bushels. That is more than an entire year's supply -- both domestic and export. Besides, under the old program that has been in effect, we could expect to add another 100 million bushels to government stocks from the 1962 crop -- then keep on adding year by year.

Also, things have gotten to the point where those who benefit most are not wheat farmers at all -- rather they are warehousemen, handlers, transportation companies and lenders. We are not against these companies at all, but under the law we are supposed to be helping farmers. In the fiscal year 1960, money paid to non-farmers as a result of the wheat program

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Now with the new law, Congress has given farmers the beginning of a way out -- if they choose to take it by voting their approval in the referendum on August 24. But unless two-thirds of the farmers vote "yes" this opportunity for a new program will be lost.

The new program offers to bring about a decrease in government stocks of about 100 million bushels -- instead of an increase of 100 million bushels. It offers to save taxpayers about 258 million dollars -- 50 million during the 1962 crop year and the remainder during the time that 1962 wheat would remain in storage. Finally, the new program figures to increase net income to wheat producers by 10 to 15 percent.

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This, of course, hinges on the marketing quota referendum August 24. In order for the new Wheat Stabilization Program to be available to growers -- or for marketing quotas to be in effect at all -- they must be approved by two-thirds of the farmers voting in the referendum.

Time is short, between now and August 24. In these few days, the Department of Agriculture -- through the farmer committee system and the many channels of public communication -- will do its utmost to inform farmers of the referendum and to make known the issues involved. A number of Department officials, in speeches and discussions here at this meeting, will explain the program to be approved or disapproved in this referendum, in every detail.

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1. Marketing quotas will be in effect on all farms with more than 13½ acres of wheat and on some farms with smaller acreages. The production from excess acres will be penalized at the rate of 65 percent of parity instead of 45 percent as it used to be.

2. Payments will be available to producers who divert 10 percent of their allotted acres to conservation uses, the payments for each acre to be made at 45 percent of the price support rate on the normal yield. For an additional diversion of acres up to 30 percent of the base, payments would be based on 60 percent of the support price.

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2. Price support will be available at 50 percent of parity -- but only to those in the commercial wheat area who comply with their allotments. This price support rate at about the present parity level would be around $1.20.

I might add, parenthetically, that if this latter option should prevail -- that is, if marketing quotas should be disapproved -- there would in reality be practically no program at all for wheat. In only a few years have average wheat prices fallen below 50 percent of parity -- and those, you'll remember, were very difficult years. In 1930, for example, wheat was at 47 percent of parity -- and in 1931 and 1932 prices were at 36 and 38 percent.

Those are the major issues involved in the August 24 referendum. To repeat: In order for marketing quotas and the Wheat Stabilization Program to go into effect, they must be approved in the referendum by a ratio of 2 to 1.

I hope that every eligible producer will vote. Make no mistake about it: Every producer's influence will be felt whether he gets to the

referendum or not. Whether he wants a program ... or doesn't want it ... or just doesn't care ... every eligible voter's attitude will be reflected there.

There are some provisions in the Wheat Stabilization Program for 1962 that are of special interest to farmers who have been producing smaller acreages of wheat.

The producers with up to 15 acres of wheat are no longer automatically exempted from wheat marketing quotas. County ASC committees must make sure farmers understand the new provisions for the samller farms because they are important. More farmers would be affected by quotas.

On the other hand the farmers with the samller acreages of wheat can divert up to 10 acres of wheat for payment. For example a producer with 9 acres of his highest wheat acreage for the past 3 years may take it all out of wheat and use it for conservation and be paid for each acre. This provision will enable many farmers, if they wish, to divert all their wheat acreage to conservation use rather than reduce their already small acreage. The payments will replace the income that would have been received from wheat.

Farmers generally who make the 10 percent reduction in wheat acreage and devote that land to conservation will be eligible for wheat price support about 12 percent higher than last year.

We are, I believe, standing at an historic moment. We have before us the opportunity to put into effect the first new wheat program since 1938 -- which is surely a distant time in the history of farming in our

country. At the same time, we know that the entire future of farm legislation may turn on the outcome of this program.

Much has been said about the decline in the farmer's representation in Congress and in the halls of our state legislatures. Much could be said about the decline in his economic representation as well, in an increasingly industrial nation where corporations tend to the gigantic and where consumers and urban workers outnumber him many fold.

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At that time, we moved to improve the system of electing committeemen and to strengthen the hands of county committees by making them responsible for assignments to community committeemen. Without that new authority -- and the confidence placed by this Administration in the county committees, I am certain that the Feed Grain Program could not have been carried out so effectively. Nor would we be in nearly so strong a position to deal with the job ahead.

You of the committee system deserve -- and I am sure you are getting -- in increasing measure -- the support of all agencies and organizations in the field of agriculture. I am particularly aware of the excellent educational job being done by State Extension Services to see that farm people get the facts about these programs.

I have always been proud of the farmer committee system. It's an organization unique in the world as an instrument of economic democracy. Today I am prouder still.

USDA 2593-61

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Too often, the American farmer has not shared adequately in the success he has created. But in 1961 . . . with your help . . . he is moving . . . finally . . . definitely . . . forward.

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U.S. Department of Agriculture
Office of the Secretary

Committeemen, Area Meeting
Minneapolis, Minn.

Secretary of Agriculture Orville L. Freeman said today that "just as the success of the 1961 Feed Grain Program triggered new wheat legislation -- so the cooperation of growers in this one-year wheat program will be significant and important in working out a long-range program for wheat."

Speaking at an area meeting of Agricultural Stabilization and Conservation Committeemen, Secretary Freeman pointed out that 1.2 million farmers signed up for the Feed Grain Program last spring, and that a reduction in Government corn stocks is now indicated for the first time since 1951. That success, he said, was important in securing Congressional approval of the wheat provisions of the Agricultural Act of 1961.

The Secretary called for wide participation in the National Wheat Referendum Aug. 24, and said that "farmer support of the wheat program is needed now in order to maintain the momentum needed for the enactment of future farm legislation."

Secretary Freeman said the new program promises "to bring about a decrease in government stocks of about 100 million bushels -- instead of an increase of 100 million bushels. It offers to save taxpayers about 258 million dollars -- 50 million during the 1962 crop year and the remainder during the time that 1962 wheat would remain in storage. Finally, the new program figures to increase net income to wheat producers by 10 to 15 percent.

(more)

Excerpts from speech prepared for delivery by Secretary of Agriculture Orville L. Freeman at an Area Meeting of Agricultural Stabilization and Conservation Committeemen, Dyckman Hotel, Minneapolis, Minn., 11 a.m. (CDT) Aug. 17, 1961

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USDA 2622-61

"The new legislation provides -- in addition to wheat marketing quotas -- a new Wheat Stabilization Program. This program -- patterned after the Feed Grain Program -- provides incentive payments for diverting to conservation purposes between 10 and 40 percent of a farm's wheat allotment.

"This, of course, hinges on the marketing quota referendum Aug. 24. In order for the new Wheat Stabilization Program to be available to growers -- or for marketing quotas to be in effect at all -- they must be approved by two-thirds of the farmers voting in the referendum."

Secretary Freeman used a hypothetical example to show the advantage that would be realized by farmers participating in the program. "Assume a 10 percent diversion on an allotment of 150 acres -- and assume the operator produced 25 bushels an acre on the remaining 135 acres. At the price support rate of $2.00, that would amount to $6,750.

"Subtract a variable production cost of, say, $15 per acre planted -- and add the special payment which would amount to $22.50 per acre on the 15 acres diverted. You get a total income of $5,062 from the 150-acre allotment.

"On the other hand, assume that marketing quotas are not in effect, and price support is at 50 percent of parity. The market price would be around $1.30 a bushel, and 150 acres at 25 bushels an acre would yield $4,875. Subtract the variable production cost of $15 an acre, and you get a total income of $2,625, compared with $5,062 under marketing quotas and the Wheat Stabilization Program."

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Secretary Freeman pointed out that conditions vary from farm to farm, and emphasized that no amount of "sharp pencil" figuring could account for all the advantages of participating in the Wheat Stabilization Program. These advantages would be accentuated on farms where the maximum of 40 percent of the allotment is diverted from wheat.

"In addition to the saving of variable costs on acres not planted, there is a definite value in resting part of the land. The planting of fewer acres also yields a profit in extra time which the operator can use for other activity -- less time on the tractor and less time on the combine.

"Moreover, a maximum diversion of wheat acreage reduces the financial risk of crop failure -- especially important in parts of the Great Plains. It 'insures' an income from the diverted acres. Also, there is the advantage of getting part of the payments in advance. One-fourth of the normal returns from the diverted acres would be received in advance -- fully 8 months ahead of harvest.

"Finally, with a successful Wheat Stabilization Program, all wheat producers would benefit from the reduction of Government grain stocks to more manageable proportions. All would benefit from the improved climate for farm legislation, that would result from a successful wheat program."

Referring to the successful Feed Grain Program, the Secretary said:

"It now appears from the latest crop estimate that the 1961 corn crop will be 540 million bushels below 1960 production. What that means is that, this year, we'll grow less corn than we use, for the first time since 1951. The August Crop Report indicates a corn crop of 3,352 million bushels; disappearance in the

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marketing year 1961-62 will be 3,600 million bushels. That is a difference of about 250 million bushels.

"The August Crop Report indicates a considerable increase in average yields -- to a record 57.5 bushels an acre -- a reflection of the excellent corn-growing weather in the midwestern States during July and August. Indicated acreage was unchanged from the July Crop Report. Without the reduction in acreage brought about by the Feed Grain Program, these improved yields would indicate a record crop of well above 4 billion bushels -- exceeding even the record 3.9 billion bushels harvested in 1960.

"I should emphasize that crop reports are subject to change. On August indications, it looks like 250 million bushels of corn will come out of stocks in 1961-62. Should crop prospects improve further -- or if an unforeseen disaster should strike the crop -- the outlook will change. The important thing is that -- under a given set of conditions -- we should realize a corn crop 600 to 700 million bushels below what it would have been without the Feed Grain Program.

"Grain sorghums, too, reflect the success of the Feed Grain Program. The August Crop Report indicates production at 454.6 million bushels -- a reduction of one-fourth from the 1960 crop. After a number of years in which government stocks of grain sorghums have steadily increased, this represents a reversal of trend with an indicated new crop slightly below estimated disappearance."

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USDA 2622-61

NEW FRONTIERS AND WIDER HORIZONS

It is timely and appropriate that the theme of the 1961 meeting of the American Institute of Cooperation is "New Frontiers for Cooperatives." The American people, indeed, the people of the entire world, face new frontiers and new challenges today.

Beyond these new frontiers lie hazards greater than those ever confronted in history, for the dangers that threaten include even the potential destruction of civilization itself. But there also lies, beyond these new frontiers, opportunity for progress greater than man has ever dared to dream of in decades past. The greatest revolution in history, the revolution in science and technology that is now under way, enables us to look forward with confidence toward the conquest of those physical frontiers that may yet lie in the way of sufficient food, clothing, and shelter for every human being on earth. We can confidently foresee the harnessing of new sources of power that can -- literally as well as figuratively -- take us to the stars.

Yet we are afraid, today, because we do not have that same confidence that we can control the power we can harness. Our last great frontier -- the frontier of human relations -- remains to be conquered. If we do not progress toward the conquest of this frontier with sufficient speed, it could indeed be humanity's last frontier. But if we do make sufficient progress in human relations -- on levels all the way from the individual and the family on up to world-wide understanding -- we can look forward to a future with undreamed of possibilities.

Address of Secretary of Agriculture Orville L. Freeman before the annual meeting of the American Institute of Cooperation, Northrup Auditorium, University of Minnesota, Minneapolis, Minn., 10 a.m. (CDT) Monday, Aug. 21, 1961.

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I have presented this broad framework for my discussion of the theme of New Frontiers for Cooperatives because cooperatives can make their maximum progress toward conquest of their own new frontiers only if they proceed in the broad context of our world and our times. They can make their maximum contribution only if they consciously seek ever widening horizons toward which to set their goals. I would like to suggest to you today three specific directions in which a broadening of horizons by American farmer cooperatives can contribute to their conquest of new frontiers.

First, there is the horizon that encompasses the entire farm problem in the United States.

The American Institute of Cooperation is a broad association of farmer cooperatives. You represent many kinds of farmer cooperatives, each with its own special problems and goals, all of which are of immediate importance. But I know that each one of you is concerned with the overall economic situation of the American farmer. The cooperatives you represent were organized to improve that economic situation. And, in turn, farm income and farm prospects have a determining role in your activities and success.

For many years I have been interested in cooperatives, as constructive, democratic enterprises of real service to their members and with great potential for making a significant contribution to our free economy. For six years as Governor of Minnesota I saw how much cooperatives contribute to the life and economic growth of our State. And for the past six months as Secretary of Agriculture I have become increasingly concerned with how farmer cooperatives might make their greatest contribution to a solution of the over all farm problem.

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Permit me to make a few suggestions for your consideration.

First, I believe that farmer cooperatives should make their voices heard effectively and constructively in the formulation and adoption of a national farm policy directed toward the achievement of broad goals for American agriculture. An effective, long-term solution of the farm problem must do two things. It must provide, for the present and for the future, the efficient production of food and fiber adequate to meet human needs at home, and to serve as an instrument to further economic growth, peace and freedom abroad. It must also assure the efficient American family farm the opportunity to achieve an income comparable to that earned by other segments of our economy, and it must do this with due regard for the interest of taxpayers and consumers.

We cannot achieve these goals without a broad, flexible, sound national farm program.

I believe that the Agricultural Act of 1961 just enacted by the Congress and signed by the President marks a great step forward toward the achievement of these goals. But no one claims that it is the final solution. There will be other sessions of Congress, and other farm bills up for consideration.

I am not suggesting that farmer cooperatives should necessarily support the kind of farm program that I may recommend, although such support would be most welcome. But I am asking that they study problems involved in over all farm legislation very carefully, and that they give serious consideration to giving effective support -- not only to legislation directly affecting cooperatives as such -- but also to legislation directed toward improving agriculture as a whole.

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The proportion of farmers in our population is declining -- and the proportion of people represented by farmer's cooperatives is affected by that decline even if the cooperatives increase their membership. If dairy cooperatives concern themselves only with legislation concerning dairying, if cotton cooperatives consider only the cotton problem, if grain cooperatives devote themselves only to grain programs and electric cooperatives only to legislation affecting the REA -- then the voices of these cooperatives will be small and fragmented and relatively ineffective as applied to the over-all picture.

What I am really asking is that farmer cooperatives cooperate with each other in the interest of a broad legislative program for farmers.

My second suggestion with regard to a broad program for agriculture is related to the first. I believe that farmer cooperatives could make an invaluable contribution if they would channel some of their public relations efforts in the direction of bringing about a greater public understanding of the contributions and needs of the farmers of this nation.

There is no single fact that I have learned as Secretary of Agriculture that has surprised and concerned me more than the vast depth of misunderstanding that prevails with regard to farm problems.

It is only very recently that we have seen any public recognition of the productive success of American agriculture in providing consumers with more and better food at less real cost than anywhere else in the world or at any other time in history. There is need for much greater public awareness of how small a proportion of the consumer dollar reaches the farmer, of how much of the research in agriculture actually benefits the consumer more than it benefits the

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farmer, of the billions charged to agriculture's budget that goes to foreign aid, of the importance of farm prosperity to every other segment of our economy. Only when the general public realizes these facts and understands the nature of the farm problem can we expect public support for the kind of agricultural program we need.

A third suggestion with regard to the frontier that is involved in the nation's agricultural policy lies in the field that is of special concern to farmer cooperatives -- that of strengthening the bargaining power of the farmers. Government encouragement of cooperatives was originally based on the need for strengthened bargaining power. That need is certainly as great today as it ever was. Cooperatives have a tremendous challenge and a great opportunity in this respect today. They can explore the potential benefits from both horizontal and vertical integration, especially in those fields of agriculture where modern science and technology provide great advantages in integrated operation. They can consider further expansion into the processing of agricultural commodities as one way of bringing to the farmer a fair share of the consumer's dollar. They can and should consider whether a more rational organization into fewer and stronger units, or a further integration of services provided to farmers, would make their operations more effective in strengthening farmers' bargaining power.

If we are to proceed in the conquest of this new frontier -- if we are to widen cooperative horizons along the line of strengthening the farmer's bargaining power enough to substantially improve his income, if, in other words, we seek to build bigger and better cooperatives in order to be effective in reaching that goal, we must overcome the roadblocks that lie in the way.

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One roadblock is the lack of adquate, scientifically accurate information with regard to potential gains, possible difficulties, and probable results to expect from expansion and integration of farmers cooperative enterprise. Expansion may be difficult and expensive, but it may be well worth the labor and expense involved. Surveys and studies that could clearly set forth what might be accomplished and how it might be achieved could establish guidelines for progress for farm cooperatives.

Cooperation among the cooperatives represented here could develop such studies and surveys. I want to assure you that the USDA and its agencies will help in every appropriate way to obtain the essential knowledge and evaluate its meaning.

Another roadblock to the expansion and consolidation of cooperative enterprise arises with regard to legal authority. Most of you know that there was some discussion and controversy in the present session of the Congress with regard to cooperatives and the anti-trust laws. If you have read the record of the discussion that took place in the Senate, and the comment in the press, you realize how great is the lack of understanding of the issues involved. It is only when you examine the details of the controversy that took place that you realize how much misunderstanding exists with regard to the nature and purpose of cooperatives.

Cooperatives expect opposition from their competitors, and from those who for their own reasons oppose the development of cooperative enterprise. But there is something wrong with public relations and public understanding when those who are genuinely concerned with preventing the evils of monopoly, those who are sincerely anxious to prevent the exploitation of the consumer, fear that farmer cooperatives threaten to perpetrate the evils of monopoly.

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I suggest that it is imperative to find out what is wrong, and seek to correct it, if we are to remove this roadblock in the way of a sound expansion of cooperative enterprise in the interest of both co-op members and the general public.

I suggest that we review American history to note that it was American farmers who first felt the pressure of monopolistic practices so keenly that there arose an agrarian revolt that produced our first anti-trust laws. I suggest that we analyze how cooperatives have been an effective brake on monopoly.

I suggest that we review the economic facts of life today, facts that show clearly how weak is the bargaining power of the farmer when arrayed against the power of the forces with which he must bargain.

I suggest further that cooperatives concern themselves, forthrightly and directly, with answers to charges of monopoly. I know of no cooperative that seeks the right to engage in unfair competition and predatory practices. I also know that genuine misunderstanding about such matters can be corrected only by a complete and honest examination and presentation of the facts, and by a positive effort to win a general public recognition of the nature of cooperative enterprise.

To this effort the Department of Agriculture will offer full cooperation. We seek to strengthen the sound growth of farm cooperatives, not only in the interest of the cooperatives themselves and their members, but also for the significant and essential role they can play in the development of a national farm program.

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Wherever farm programs can operate most effectively in the interest of farmers through their cooperatives we seek to further that role. Within the last few weeks the Department has affirmed this principle by authorizing the making of loans to soybean producers through their cooperatives, and we reviewed and reaffirmed that position in response to hostile reactions against our decision.

In another aspect of our farm program -- that of marketing orders and agreements -- cooperatives have an essential role that will grow in importance. Under these self-help programs the producers themselves, under the authority of and in partnership with government, seek to achieve better incomes through orderly marketing and quality control. The recently passed farm bill authorized expansion of the marketing order program. As we progress along these lines the role of cooperatives in participating in our national farm program will increase.

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I have thus far discussed the widening of the horizons for farmer cooperatives in the direction of positive concern for overall farm policy in the United States. But horizons have a way of broadening as one progresses toward them, and as we give serious study to a comprehensive program for agriculture we find that we must be concerned with the entire national economy. And, therefore, the second direction in which I suggest broader horizons for farmer cooperatives in their conquest of new frontiers is a concern for the general welfare of the people of this nation -- in the cities and in the villages as well as on the farms. I shall take time today only to outline the scope of this broad horizon.

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Farmers, and therefore farmers' organizations, have a major interest in the conservation of our most valuable resource -- the soil, and the water, on which human life itself basically depends. The wisest use of our soil and water resources is a significant point of contact between the economic well-being of farmers today and the welfare of our children and grandchildren in the years to come. It is therefore a part of the new frontier.

Farmers and their problems -- inadequate farm incomes, areas of rural poverty -- are closely inter-related with problems of unemployment and poverty in the cities. To a significant degree unemployment in cities and under-employment on farms are alike products of automation and technological change. The aggravation of one of these problems will aggravate the other, and, similarly, any improvement in one area will help the other. We must seek a joint attack on the problems that arise when new inventions throw people out of work -- when automation cuts employment in the factory and mechanization cuts employment on the farm. These are joint problems. It is a joint responsibility to discover ways and devise methods whereby the technological revolution, with its potential for abundance, can be made to serve the interest of all the people.

Farmers and their problems are intimately related to problems of the consumer. With regard to this relationship we find one of the greatest areas of public misunderstanding toward the farmer today. It seems as though a deep artificial gulf has been created between the farmer and the consumer; and it is of vital interest to farmers, and therefore to their cooperatives, to bridge that gulf. The public does not realize how much the efficiency and productivity of the American farmer contributes to the high standard of living of the American

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consumer. It does not realize how much of the research and experimentation directed toward improved production and processing of farm products really benefits the consumers more than it does the producers. It is even possible that the Department I head might more accurately be described as the "Department of Food and Agriculture."

I could go on much further to indicate the breadth of this horizon of interdependence with the general welfare, if time allowed. However, I have said enough to indicate its scope. I believe that farmers have a deep interest in all of these broader areas, and that this interest can often be expressed through their cooperatives.

I would especially hope to see a closer relationship between farmer cooperatives and consumer cooperatives. I am fully aware that in some circles "cooperative" is regarded almost as a dirty word unless it is preceded by the word "farmer." I assure you that this approach does no good -- either to farmers or to cooperatives. On the other hand, positive gain might be achieved by a closer working relationship between the two.

As we seek to bridge the gulf of misunderstanding between the farmer and the non-farm public, as we seek the better public relations for farmers that I spoke of earlier, no one thing could contribute more than a joint concern for problems that affect the welfare of all of the people.

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The wider horizons for cooperatives that I have described have now broadened to include, first, the national farm problem, and second, the entire national economy. But the process cannot stop there. The horizons we must face on the new frontier today encompass the entire world.

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The greatest threat to American farmers today is not too low prices. The greatest threat to farmer cooperatives is not too little capital or too much opposition from competitors. The greatest threat to the well-being of the American people is not depression or unemployment.

The greatest threat to all of these is the threat to freedom and peace in the world.

The most urgent need is to overcome that threat -- to mobilize all our resources to the end that peace can become permanent -- to the end that progress and freedom can prevail all over the world. To this end our entire nation is mobilizing, not only for defense but also for foreign aid. In this great effort I believe that American agriculture and the American cooperative movement have much to contribute.

We are now contributing to Food for Peace and Freedom. We can and will contribute more. We are gearing up to contribute our maximum in technical assistance to help the underdeveloped areas of the world -- areas that are primarily agricultural in nature -- to improve their own conditions, by sharing with them our agricultural know-how.

This know-how is not only technological -- it applies to social and economic matters as well. I believe that cooperatives have a tremendous contribution to make to social and economic progress in underdeveloped areas. The cooperative movement has only begun to make its contribution to human freedom. There lie within the cooperatives of this nation resources of ability, organization, experience and conviction that can make invaluable contributions in helping the people of the emerging nations to achieve economic growth and higher standards of living within the framework of democracy and freedom.

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And therefore I am urging you to expand your horizons to encompass the entire world.

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The new frontier, as I have described it, is asking a great deal. But I do not think it is asking too much. It can ask no less if we are to reach our goals.

I would conclude by saying that the United States Department of Agriculture will cooperate to the utmost of its resources. We want to work with you and we seek your suggestions and your cooperation.

To further this end I am reconstituting a Cooperative Advisory Committee to the Department of Agriculture, a committee that has functioned well in the past but has not been called on for many years. I am asking each of the six nationwide organizations of cooperatives -- the American Institute of Cooperation, Cooperative League of the USA, National Council of Farmer Cooperatives, National Federation of Grain Cooperatives, National Milk Producers Federation, and National Rural Electric Cooperative Association -- to send one or two of its executives to meet with heads of the appropriate agencies within the USDA to discuss problems relating to the new frontier for cooperatives. I hope that we can hold the first meeting of this committee in the very near future.

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POLICY ON COOPERATIVES

In 1952 the United States Department of Agriculture formally expressed its policy on cooperatives as a part of its specific responsibility to promote the well-being of our rural population and its broad public

responsibility to promote the general welfare. It is fitting that we reaffirm that policy today.

The Department of Agriculture has a positive responsibility with regard to farmer cooperatives. This responsibility arises in part out of Federal legislation. It also results from the nature of the economic problems that confront American agriculture.

The 1952 statement of policy expressed the nature of this responsibility as follows:

"American family farms fall in the category of small business firms, and face the problems of such firms in a national economy in which there is a definite trend toward more and more concentration of economic power. The farmer is in a weak competitive position in dealing with economic problems beyond his individual control. He has sought and continues to seek means of overcoming his isolation and improving his position by joining with other farmers to gain mutual advantage and protection through self-help. From such efforts have come the many and diverse forms of cooperatives found in rural America today. They represent modernization of the tradition of neighbors working together to help themselves and each other in purely democratic fashion.

"Based on these truths, Congress and state legislatures have both seen fit, over several decades, to pass legislation which they felt would encourage farmers to attack their own problems directly through the formation of cooperatives. Numerous acts have aimed to encourage the establishment, operation, and growth of cooperatives organized, owned, and controlled by farmers. It is fair to say that these acts have given recognition to the following concepts:

...American agriculture is the most basic industry of the Nation, and farmer cooperatives are vital to its continued functioning as a strong productive segment of the national economy,

...the American system of family farms is a foundation of the Nation's democratic traditions, and farmer cooperatives with their highly democratic structure make continuation of that foundation possible,

...the American economy is highly organized and it is important that farmers have means of acting together for common purposes and in order to protect their economic position. Farmer cooperatives are a means toward these ends."

These concepts are as valid today as they were in 1952. In accepting these concepts and carrying out its responsibility under them, the USDA will encourage the growth of cooperatives through which farmers can work together to produce and market their products to greater advantage and supply themselves with goods and services more economically and effectively than otherwise available.

In giving that encouragement to cooperatives the USDA seeks to provide research, educational and advisory services that will help to strengthen cooperatives in all appropriate activities in the interest of their members and the general welfare. To that end the various agencies of the Department will give proper recognition to the basic nature of cooperative enterprise, and will exercise their functions and coordinate their activities accordingly.

The USDA will give especial attention to the importance of cooperative enterprise in terms of the critical years that lie ahead. The President of the United States has clearly recognized the place of cooperatives when he affirmed his support in the following terms:

"I believe that cooperative enterprises are a valuable part of our American system. In addition, they may be a means of raising living standards and counteracting the influence of communism in other nations. Certainly they should be encouraged. Greater emphasis on the development of and assistance to the cooperatives will be among the major objectives of our foreign aid programs."

Under this inspiring challenge we shall seek to expand the horizons of cooperatives in America -- to explore whether there are ways by which

cooperatives can contribute more to strengthening the bargaining power of farmers and thus improve their incomes -- to consider how cooperatives can so function that they contribute to the public interest of the entire Nation as well as the interest of their members -- and to urge that they seek to develop ways in which they can contribute to furthering the cause of freedom and democracy in the world.

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This statement of policy I have just read gives recognition to the wider horizons that are demanded by the new frontiers for cooperatives. The frontiers that lie ahead, for those in cooperatives, for those in government, and for all of our people, are the most serious and critical -- and the most exciting and challenging -- of any in human history. If the hazards on these frontiers are greater than any of those of the past -- and they are -- so are the potential gains infinitely greater than they have ever been before.

The tremendous power that the human mind has learned to harness could destroy what civilization has built through the centuries, but it can also be used to banish from the earth the fear of hunger and poverty. You can have a significant role in the conquest of this frontier.

I wish you every success in your meetings of the American Institute of Cooperation. I trust you will conclude your meetings with new hope, with new and stimulating ideas, and with an aroused determination to work toward wider horizons of human freedom.

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USDA 2655-61

U.S. Department of Agriculture
Office of the Secretary

Secretary of Agriculture Orville L. Freeman said today in Miami that the Nation's food and agricultural superiority can be the best salesman for freedom around the world.

He told the annual Veterans of Foreign Wars convention that a nation to exercise world leadership must have silos filled with both rockets and food, but that people will choose food before missiles.

"The system which can feed its people while it protects them will be the system that free men will choose. Only Democracy can provide both, and we shall take that message to the world.

"We have perfected in this nation a system of government which enables less than one-tenth of the population to provide the food and fiber needs of all other citizens -- and for millions of people in other countries.

"This is an achievement which no other nation has ever equalled, and it is an achievement which other nations -- especially those within the Communist orbit -- seek without success to duplicate.

"Because the American farmer has willingly adopted new technology and applied the new developments of science, he has achieved an output of food and fiber which even twenty years ago would have sounded impossible. The agricultural revolution the farmer has wrought, enables the United States today to stand unmatched in terms of supplying the basic needs of food and clothing for its people.

Remarks prepared for delivery by Secretary of Agriculture Orville L. Freeman to the National Convention of the Veterans of Foreign Wars, Miami, Fla., 12 Noon (EST) Friday, Aug. 25, 1961.

"Under the leadership of President Kennedy, this superiority is being harnessed to promote peace and freedom around the world through efforts to make food available through charitable organizations, to expand the Food for Peace program and to utilize food as an instrument of economic development in other nations.

"We are seeking by example and deed to demonstrate that Democracy is the one system of government which can fulfill man's dream of ending the cause of famine and of driving the shadow of hunger from the family table."

The Secretary noted that Americans have become concerned that where Communism is able to concentrate its resources, it is able to appear to the world that Communism can compete and even outstrip Democracy.

"No one can believe, however, that Communism holds a candle to the achievement our system has made in agriculture -- in the production of food and fiber. And this has importance that is often overlooked. In this context food has power far beyond its ability to satisfy hunger."

The Secretary said, however, that at times it seems as if Americans are trying to convince themselves that the "inexhaustible ingenuity of the farmer" is embarrassing.

"The effort to identify the farmer and agriculture in the public's mind with the twin symbols of surplus and subsidy rather than of success and superiority has tended to rob us of an immense power we can ill afford to waste.

"We have failed to fully appreciate the power and utility which agriculture gives us in a world of crisis and conflict."

Secretary Freeman noted that food and agriculture, in addition to providing the United States with the basis for a high standard of living, also equip the American people with:

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*An additional deterrent power: "A nation supplied with adequate food stocks strategically located is better prepared to withstand a nuclear attack than a nation which has difficulty in providing food and fiber even under normal conditions."

*A yardstick for comparing systems of government: "In the continuing conflict between Communism and Democracy, the ability of either system to provide its people an adequate standard of living on a consistent and improving scale is a crucial guide for emerging nations."

*An instrument to combat hunger world-wide and to assist under-developed nations: "American agriculture can produce substantially more food and fiber than it does presently. We must seek to produce the commodities which can be most effectively used in other nations, and to provide them to friendly nations within the framework which will allow these countries to develop strong internal economies of their own."

The Secretary noted that the Department of Agriculture currently has programs underway to harness in new ways the nation's agricultural strength. He listed them as:

*An intensive study to develop a world food budget which will assess the dietary needs of individual nations so that the resources of American agriculture can be directed towards meeting specific needs.

*A cooperative program with the U.S. Information Agency to use the American farmer's success story in the overseas information program.

*The development of a strategic food reserve program to locate food supplies in 191 metropolitan areas around the nation.

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*An expanded Food-for-Peace program under which $2.5 billion worth of agricultural commodities have been earmarked for distribution overseas in the first six months of 1961. Congress has given the Department authority to plan Food-for-Peace programs with other nations over a three year period rather than on an annual basis, allowing friendly nations to integrate the US food program more fully into long-range economic development plans.

The Secretary noted that the United States' Food-for-Peace program to share its agricultural abundance with other peoples has no parallel in the Communist world.

"In fact, it is apparent that there is a serious question whether the Communist system has an inherent inability to produce the food and fiber which those who live under it need for an adequate and improving standard of living.

"In Communist China, for example, grain production, which provides about 85 percent of the nation's diet, is believed to be at the level of three years ago. If the experts are correct, and there is good reason to believe they are, this means about the same amount of food for a population which is some 45 million persons larger than in 1957.

"The rulers of China, who in 1958 were claiming that Communism had engineered nature out of the problems of agriculture, are today blaming floods, droughts and other natural calamities for their failure to produce enough food. And they now seek to buy in the free world what they could not produce in the Communist world.

"In East Germany, rationing continues as a way of life for the people because the efforts to reorganize the structure of the agricultural economy have turned an area which once exported food into an area which must import food.

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"The same problem exists for Communist Hungary where the efforts to establish communes have resulted in a disastrous shortage of meat and milk.

"In Russia, where no person will starve this winter, there is a demand by the people for an increasingly higher standard of living. Yet the Russian people will find meat and grain scarcer this year.

"Russia, after years of effort, has been unable to duplicate a feat which the American farmer has been able to accomplish with disarming ease. He has boosted his output on fewer acres while farm employment has declined.

"Try as they may, the Russians have been unable to do this. As a result, they have gone the route of increasing the number of cultivated acres and this has required that substantial labor and equipment be diverted from more productive farm lands.

"The virgin lands put under cultivation were marginal farm lands, at best, and the arrival of droughts and dust storms for the past two seasons has combined with mismanagement and theft on a grand scale to rob the Russian people of a promised solution to their food problems."

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USDA 2717-61

STATEMENT
of
THE SECRETARY OF AGRICULTURE, ORVILLE L. FREEMAN
on
THE NATIONAL MILK SANITATION BILL
before the
HOUSE INTERSTATE AND FOREIGN COMMERCE COMMITTEE

August 30, 1961

10:00 a.m.

Mr. Chairman and Members of the Committee:

I appreciate this opportunity to express the support of the United States Department of Agriculture for the subject matter of H.R. 50. Its provisions would insure the free and unobstructed movement in interstate commerce of milk and milk products that meet the high sanitary requirements recommended by the United States Public Health Service.

The subject matter of this bill is of great significance to consumers, to the processors and handlers of milk, and to farmers. Milk is our most basic food, and there is no other single consideration relating to food that is of more importance to consumers than the assurance of an adequate supply of pure and wholesome milk at fair and stable prices. Milk is also our most important single farm product, from the point of view of the number of farmers involved in its production as well as its share in total farm income. Likewise, the processing and distribution of milk employs more of the efforts of our food marketing industries than any other single food commodity. Thus anything that affects the production, marketing and consumption of milk as importantly as does the legislation you are considering is of major concern to the Department of Agriculture, with its vital responsibilities to farmers, to the food processing and marketing industries, and to consumers.

After a long and careful study, it is our conclusion that the legislation before your committee will serve the purpose of providing maximum protection of

the public health at the lowest possible cost to farmers and to the processors and distributors of milk, and thus to consumers as well. Therefore we urge its enactment into law.

Our support of this legislation is in conformity with our objectives for both the producers and the consumers of milk and milk products.

Our objective for producers of milk is to assist them in producing and marketing a better food product with ever increasing efficiency, and to help them obtain returns on their labor, investment, and managerial effort that are more equitable and more secure. For consumers we seek to assure an abundant supply of pure and wholesome milk at a fair price. The Department of Agriculture is currently undertaking an intensive effort to develop improved economic programs that will better serve these purposes both in respect to producers and consumers. A committee of specialists in milk marketing problems drawn from every section of the country and from every field of expert knowledge in milk production, processing, and marketing, is now seeking to ascertain and evaluate the opportunities afforded by modern dairy technology and marketing systems to further these goals. From this study, from numerous other studies within the Department and by industry, land-grant colleges, and State governments, and from consultation with producers as authorized by the Agricultural Act of 1961, we intend to use every resource at our disposal to develop and enact improved programs to raise farm income to a fair level.

The primary concern of the Department of Agriculture in respect to milk sanitation regulations is with their economic effects. We do not have direct responsibility or authority for administering such regulations, and we respect the competence and authority of the United States Public Health Service to establish and administer standards in this field.

Nevertheless, just as inadequate returns to dairy farmers, or inadequate

economic resources for the processing and distribution of milk, may greatly affect the purity and wholesomeness of the milk supply, so also do regulations to protect the sanitary quality of milk have important economic consequences. There is substantial reason to believe that both farmers and consumers are penalized by the multiplicity of local sanitation regulations and inspection requirements which are now enforced throughout the country. The proposed legislation would establish a uniform sanitary standard for milk under which milk could be shipped freely anywhere that it can find an economic market, subject of course to provisions of purely economic programs designed to guarantee adequate supplies and fair prices under the Marketing Agreement Act of 1937.

Producers, handlers, and consumers would benefit substantially by the elimination of many of the present needless costs of complying with overlapping and duplicating inspections and the differing standards of various states and localities.

It is now frequently necessary for inspectors to travel long distances to inspect milk supplies before a permit to ship milk can be issued, even though the milk concerned may be already fully inspected in accordance with fully acceptable standards by officials of another jurisdiction. Varying procedures or equipment may be required under various States and local health ordinances. In some cases there are variations in requirements as to labeling or the specifications of containers. All these unstandardized requirements create unnecessary costs which add nothing to public health protection and could be reduced under the proposed legislation.

These economic gains will be paralleled by gains in purity and wholesomeness of milk. The United States Public Health Service has had experience and

the major responsibility in the Federal Government for the development of sanitary standards to safeguard the health of consumers of milk. The U.S.P.H.S. model milk ordinance and code, upon which the proposed Federal milk sanitation code would be based, has been voluntarily adopted by more than 1900 local jurisdictions and serves as the basis of milk sanitation regulations in 36 states. This code, when applied through the compliance procedure administered by the U.S.P.H.S. and as proposed under this legislation, will afford fully adequate protection to consumers of milk. We believe that it will tend to upgrade the quality and purity of milk supplies which now are not produced, processed, and marketed in compliance with the Federal milk sanitation code.

We believe this will occur because consumer preference can be expected for milk which does meet the standards of the U.S.P.H.S. code, and that producers and handlers will find it to their advantage to meet these standards in order to qualify their milk supplies for acceptance in whatever market they may find to be most advantageous economically from time to time.

In testifying as to the adequacy of the U.S.P.H.S. code, when applied through the compliance procedure administered by the Public Health Service and as proposed in this bill, we in the Department of Agriculture do not rely on our own judgment alone. The overwhelming preponderance of expert medical, public health, and sanitation testimony which your committee has received supports enactment of this bill. In earlier hearings this year before your committee, expert testimony was presented in support of enactment of the bill from all of the major national professional associations in this field, as follows:

Conference of State Sanitary Engineers, represented by Dr. John Andrews, Chief, Sanitation Section, Sanitary Engineering Division, State Board of Health, State of North Carolina;

Association of State And Territorial Health Officers, represented by Dr. Russell E. Teague, Commissioner of Health, State of Kentucky;

American Public Health Association, represented by Mr. P. Walton Purdom, Director, Division of Environmental Health, Community Health Services, Department of Health, City of Philadelphia, Pennsylvania;

U. S. Department of Health, Education, and Welfare, represented by Mr. Ivan Nestingen, Under Secretary; Dr. John D. Faulkner, Chief, and Dr. Robert Anderson, Deputy Chief, and Mr. Max Decker, Staff Veterinarian, Milk and Food Branch, Public Health Service.

In addition to these representatives of the national professional associations of public health and sanitation authorities, your committee received testimony in support of enactment of the bill from Dr. Joseph C. Olson, Jr., Professor of Dairy Bacteriology, University of Minnesota, and Mr. O. G. Muegge, State Sanitary Engineer, State Board of Health, State of Wisconsin.

The USDA has carefully considered the claim made by opponents of this legislation that a number of states have "higher" sanitation standards than those recommended by the U.S.P.H.S. We have requested the Department of Health, Education and Welfare to submit to us a report on the differences between the U.S.P.H.S. milk ordinance code and the regulations of certain states which have failed to adopt this code as a basis for their milk sanitation regulations. This report, which I would like, with your permission, to submit for the record following my statement today, leads to our conclusion that the claim referred to above is not supported by the facts, and that the health of consumers of milk will be more effectively protected if this legislation is passed. (Statement attached.) Furthermore, the adoption of this legislation will in no way interfere with the rights and opportunities of local handlers, if they wish, to produce and sell milk under requirements more exacting than those deemed adequate by the Public Health Service. A potential market frequently exists for food products having special characteristics for which

(more)

some consumers are willing to pay premium prices.

The adoption of the proposed legislation will also eliminate the opportunity to misuse milk sanitation programs as economic trade barriers. There is considerable evidence to indicate that milk sanitation regulations of states and municipalities frequently are used to obstruct the movement of milk of high sanitary quality in interstate commerce. Such obstruction may result from legal limitations contained in the law and regulations of the given jurisdictions, or from practical difficulties in the inspection of farms or plants located in distant areas, when a community insists on making its own inspections as a prerequisite for acceptance for out-of-state milk. Or it may be a matter of administrative policy which has been established for economic purposes.

The Department of Agriculture has no direct administrative responsibility or authority in the area of obstructions to the movement of milk in interstate commerce. However, the Department has made an intensive research study of this problem, and in 1955, published a report on the impact of sanitary requirements, Federal orders, State milk control laws, and truck laws on price, supply, and consumption. The results of this study were published in Marketing Research Report No. 98 by the Agricultural Marketing Service. This study included a survey of the policies affecting the acceptance of milk in all communities over 25,000 population having full-time health units. The report states, on page 20 under "Examples of Restrictive Sanitary Regulations," as follows:

"By far the most common policy standing in the way of free movement of milk was the refusal of given jurisdiction to accept milk produced or handled under the supervision of other jurisdictions having substantially equivalent sanitary standards. In order to get comprehensive information on this and some other aspects of sanitary regulation, a mail questionnaire was sent to health officers

of all urban places of 25,000 or more population having full-time health units (appendix A). Replies were received from 318 cities, out of the 334 questionnaires sent out, about a 95 percent return. Respondents in 6 jurisdictions reported that the questionnaire was not applicable to their situations.

"Out of 312 cities, 100 refused to accept milk from farms supervised by their own State department of health or agriculture (in many States the State agency does not supervise sanitation on dairy farms); 84 refused to accept milk from farms supervised by some other State (although a given city might accept supervision of one State and reject that of another); 74 refused to accept milk from farms approved by cities not having the standard ordinance; while only 49 refused to accept milk under supervision by cities having the standard ordinance (table 8).

"It should be kept in mind that there were many cities which unconditionally accepted milk, the production and handling of which was supervised by specified agencies. There were 127 cities which accepted supervision of farms by their own State department of health or agriculture without question; 75 which accepted supervision of some other State or States; 69 which accepted supervision by cities having the standard ordinance; and 42 which accepted supervision by cities having other types of ordinance.

"The most common condition for accepting milk produced under the supervision of another agency was that the source be rated by the methods prescribed by the United States Public Health Service. Another common practice was to approve a source only after visiting the supply area and inspecting some of the farms."

In the Summary and Conclusions section of the same report, the following statement is made:

"Sanitary regulations hinder or prevent the movement of milk into a

substantial number of cities. Some markets prohibit outright the entry of milk from beyond specified limits. Others burden such entry by insisting on their own inspection and then delay or refuse to inspect, or levy discriminatory fees. Still other markets differentiate their regulations from those of surrounding areas without apparent necessity."

Shippers are understandably reluctant to protest publicly against obstructions arising from health ordinances or administrative practices thereof which they might encounter in their efforts to sell milk, for fear of antagonizing or provoking local pressures upon the officials responsible for certifying milk supplies. It should be recognized that these obstructions frequently may serve as hurdles which outside milk suppliers must overcome at considerable cost and inconvenience to themselves, rather than at all times as absolute barriers to any movement of milk. Because these hurdles may be raised or lowered arbitrarily depending upon local market pressures, outside milk shippers are under constraint to avoid jeopardizing the "good will" in the receiving market area upon which future sales opportunities may depend.

Because the Department of Agriculture has no regular and continuing administrative responsibility in this field, we have asked the U. S. Public Health Service to furnish illustrations of State or local health regulations which have been administered in such a manner as to constitute barriers or obstructions to the free movement of milk since the Department of Agriculture's report in 1955. With the permission of the committee, I request that this statement on "Reported Instances of Sanitary Milk Regulations Used as Trade Barriers," be inserted in the record following my statement.

(Statement attached)

It should be pointed out that the distortion and misuse of milk sanitation regulations and procedures for economic purposes is bound to impair their

effectiveness in protecting the public health. By eliminating the opportunity to misuse milk sanitation programs as economic trade barriers, public health officials will be able to devote greater energy and to function with increased efficiency in carrying out their primary responsibility of protecting the public health. Consumers will have greater assurance of an adequate supply of pure and wholesome milk. Both consumers and farmers producing milk will gain the advantage of less costly and more efficient marketing of milk through the reduction of overlapping, duplicating, and inconsistent sanitation regulations and inspections.

Some opposition to this legislation has arisen from the fears of milk producers in certain areas that its passage might result in a reduction of the prices they receive for their milk. We do not believe these fears are justified. The cost of transporting milk, and the preference of plants for nearby milk supplies will continue to be legitimate economic factors protecting milk producers in high-production cost areas against serious competition from distant sources of milk.

Moreover, as I stated earlier, this Department is determined to protect and improve the incomes of farm people, including milk producers, through constructive and equitable economic programs. The price support program for dairy products is providing stability and a very substantial degree of protection to the incomes of all dairy farmers, and I am hopeful that with appropriate legislative improvements this protection will be strengthened. Federal milk marketing orders, now operating in 80 markets throughout the country, would furnish full protection to producers in those markets against the loss of any justified price and income protection they may now be receiving through trade barriers. Similar protection is available in milk markets that are not now regulated under Federal orders

if such protection is needed and desired by local producers. This Department has recommended and will continue to support appropriate broadening of the enabling authority which provides for milk marketing orders where such is required to help accomplish the goal of equitable returns to milk producers.

It is our view that the legitimate income goals of milk producers can be accomplished more easily and more surely through united efforts to establish constructive and orderly economic programs that are fair to all producers, to consumers, and to the public, than through the dependence upon the misuse and distortion of public health regulations for narrow economic purposes. The proposed legislation will contribute to this purpose through the extension of uniform milk sanitation and inspection standards and procedures to take the place of varying, frequently conflicting, and sometimes inadequate State and local sanitation standards and levels of performance. Its adoption will be a long step forward toward more orderly and more efficient marketing of milk, toward the elimination of waste and unnecessary costs to producers and consumers alike, toward greater unity of purpose among dairy farmers throughout the nation, and toward a secure, abundant, and wholesome supply of milk at reasonable cost for the American people.

(Two Statements attached)

DIFFERENCES BETWEEN THE USPHS MILK ORDINANCE AND CODE AND THE REGULATIONS OF CERTAIN STATES

The provisions of the USPHS Milk Ordinance and Code have been developed over the years with the aid of a national advisory group of milk sanitation experts from State health departments, city health departments, the U. S. Department of Agriculture, the dairy industry, and universities. Every effort has been made to include only those provisions necessary to protect the public health, and to exclude non-essential requirements. The objective of this approach has been to provide maximum health protection at the lowest possible cost to the dairy farmer and milk processor, and thus to keep the cost of milk to the consumer low.

It has been stated that the milk sanitation standards of a large number of States are "higher" than those recommended by the USPHS. This is not the case, since the regulations of 36 States and over 1,900 local jurisdictions, including a number of large cities, are based upon the USPHS Milk Ordinance and Code. The regulations of a few States do differ from the USPHS Code. A few have more stringent bacterial standards. With the exception of California, however, most of the State regulations which differ are far less stringent than the USPHS Code on fundamental sanitation requirements for both dairy farms and pasteurization plants. In addition, the regulations of several of these same States do not provide for adequate inspection and laboratory procedures which are necessary for proper enforcement. Such inspection and laboratory procedures are spelled out in detail in the USPHS Milk Ordinance and Code.

Fourteen (14) States have adopted milk sanitation regulations somewhat different from those specified in the USPHS Milk Ordinance and Code. These States are: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Ohio, Michigan, Tennessee, North Dakota, and California. All but five are in the Northeast.

Some comments on the regulations of these States would appear in order. California regulations are quite detailed, and are considered by USPHS as equivalent, in terms of public health protection provided, to the requirements of the USPHS Code. Although the State of North Dakota has not adopted the USPHS Code, its milk sanitation regulations cover the same basic requirements; and in addition, by North Dakota legislative act, the Dairy Commissioner is required to follow the USPHS Code in enforcing the State legislation. The Michigan milk sanitation regulations for dairy farms are quite similar to requirements of the USPHS Code, although the Michigan pasteurization plant requirements lack specificity. In addition, the State of New Hampshire has incorporated into its State regulations the pasteurization plant sanitation requirements nearly identical with those contained in the USPHS Milk Ordinance and Code, and Rhode Island is utilizing the pasteurization plant sanitation requirements contained in the USPHS Code.

At the request of the Subcommittee on Health and Safety of the House Committee on Interstate and Foreign Commerce, a comparison was made in 1960 of the regulations of these States with the provisions of the USPHS Milk Ordinance and Code. A condensation of these comparisons--on a State-by-State basis--follows.

With the exception of the States noted above, these comparisons show that most of the regulations of these States lack specificity on important items of sanitation, and that a number are quite deficient with regard to proper control of the pasteurization process and the protection of pasteurized milk against recontamination. In this connection, it is desired to point out that pasteurization is relied upon as the final public health safeguard, and deficiencies as regard pasteurization requirements are serious. Therefore, the USPHS considers the regulations of a number of these States to be weak and deficient.

Maine

Dairy Farm Requirements: Similar in scope and intent to requirements contained in USPHS Milk Ordinance and Code; however, Maine requirements lack specificity with respect to some important items of sanitation.

Pasteurization Plant Requirements: Maine regulations omit many important requirements necessary for both proper pasteurization of milk and protection of pasteurized milk from contamination. Such requirements are specified in the USPHS Code.

Health of Cows: Maine laws require that all cows be tested annually for tuberculosis, but make no reference to brucellosis control except in the case of the production of "retail raw milk." USPHS Code specifies compliance with USDA programs for tuberculosis and brucellosis control, which does not require annual testing for TB unless incidence of TB in cattle exceeds 0.2%.

Bacterial Counts: The Maine bacterial standard for raw milk to be pasteurized is identical with the bacterial standard contained in USPHS Code. Maine bacterial standard for pasteurized milk is not more than 25,000 per ml. after pasteurization. USPHS Code specifies a maximum of 30,000 as delivered to the consumer. (No significant difference.)

Frequency of Inspections and Laboratory Examinations: Not specified in Maine regulations. USPHS Code specified that each farm and each plant shall be inspected at least once every 6 months, with follow-ups on violations; and, further requires that laboratory examinations be performed at a minimum frequency of at least 4 samples every 6 months for milk and for all types of other milk products sold.

New Hampshire

Dairy Farm Requirements: New Hampshire dairy farm requirements are not as specific as those contained in USPHS Code.

Pasteurization Plant Requirements: New Hampshire has recently adopted, as State regulations, the pasteurization plant provisions of the USPHS Code.

New Hampshire (cont'd)

Health of Cows: New Hampshire milk sanitation regulations do not contain specific reference to either tuberculosis or brucellosis control measures. However, New Hampshire has attained a modified accredited TB-free status, and was the first State to qualify as a brucellosis-free area. USPHS Code specifies compliance with USDA programs for tuberculosis and brucellosis control.

Bacterial Counts: New Hampshire bacterial counts for raw and pasteurized milk are the same as those contained in USPHS Code.

Frequency of Inspections and Laboratory Examinations: New Hampshire regulations contain no requirements as to minimum frequency of farm or plant inspections, or to minimum frequency of laboratory examinations. The USPHS Code specifies at least one inspection of each farm and each plant every 6 months with follow-ups on violations; and further requires laboratory examinations to be performed at a minimum frequency of 4 samples every 6 months for milk and all types of other milk products sold.

Vermont

Dairy Farm Requirements: Vermont dairy farm requirements are not as specific as those contained in USPHS Code and are deficient in some respects on basic sanitation items.

Pasteurization Plant Requirements: Vermont regulations omit a number of fundamental requirements necessary to insure the proper pasteurization of milk and to properly protect the pasteurized milk against contamination. The USPHS Code contains such requirements.

Health of Cows: Vermont milk regulations do not mention bovine tuberculosis control measures. However, it is known that in Vermont, the USDA program for tuberculosis control is followed. Vermont regulations with respect to brucellosis control are similar to those of the USPHS Code. The USPHS Code requires conformance with USDA programs of tuberculosis and brucellosis control.

Bacterial Counts: Vermont regulations specify a maximum bacterial count of 100,000 per ml. for raw milk for pasteurization and 20,000 per ml. for pasteurized milk, as contrasted with the USPHS Code maximums of 200,000 per ml. for raw milk for pasteurization and 30,000 per ml. for pasteurized milk, as delivered to consumer.

Frequency of Inspection and Laboratory Examinations: Vermont regulations require at least annual inspection of dairy farms and plants, and laboratory examinations on raw and pasteurized milk at least once a month. USPHS Code specifies at least one inspection of each farm and each plant every 6 months with follow-ups on violations; and further requires laboratory examinations to be performed at a minimum frequency of 4 samples every 6 months for milk and all other types of milk products sold.

Massachusetts

Dairy Farm Requirements: Massachusetts dairy farm requirements are very general and lack the specificity contained in the USPHS Code on many sanitation items.

Pasteurization Plant Requirements: Massachusetts plant regulations are not as specific as those contained in the USPHS Code and are deficient in some respects on basic sanitation items relating to the proper protection of pasteurized milk against contamination.

Health of Cows: Massachusetts regulations require that all cows be tested annually for tuberculosis or such cows must be located in a modified-accredited tuberculosis-free area. USPHS Code requires TB testing of individual herds at least every 6 years, even if located in modified-accredited tuberculosis-free area. Massachusetts follows the USDA program for brucellosis control as is required by the USPHS Code.

Bacterial Counts: Massachusetts maximum bacterial count for raw milk for pasteurization is identical to that contained in the USPHS Code. Massachusetts maximum bacterial count for pasteurized milk is 10,000 per ml. as compared to the USPHS maximum count of 30,000 per ml. as delivered to the consumer.

Frequency of Inspections and Laboratory Examinations: Massachusetts regulations require that each farm and each plant be licensed annually, but does not specifically provide for inspections. USPHS Code specifies that each farm and each plant shall be inspected at least once every 6 months, with follow-ups on violations. Massachusetts regulations require the laboratory examination of raw and pasteurized milk at least twice a month. USPHS Code requires that laboratory examinations be performed at a minimum frequency of at least 4 samples every 6 months for milk and for all types of other milk products sold.

It is significant to note that Massachusetts does not require pasteurized milk to be examined by the phosphatase test, which is a test used to determine whether milk has been properly pasteurized. USPHS Code requires the application of the phosphatase test to milk and milk products at the same frequency as the above bacteriological tests.

Rhode Island

Dairy Farm Requirements: In general, Rhode Island requirements are similar to those contained in USPHS Milk Ordinance and Code, but lack specificity with respect to some important items of santitation.

Pasteurization Plant Requirements: Rhode Island is utilizing the pasteurization plant santitation requirements contained in the USPHS Milk Ordinance and Code.

Rhode Island (cont'd)

Health of Cows: Rhode Island regulations require that dairy cattle be free from tuberculosis with no interval specified for testing, and the regulations make no reference to testing for brucellosis. USPHS Code specifies compliance with USDA programs for tuberculosis and brucellosis control.

Bacterial Counts: The Rhode Island bacterial standard for raw milk for pasteurization is 100,000 per ml. and 25,000 per ml. after pasteurization. The USPHS Code specifies a maximum of 200,000 per ml. for raw milk for pasteurization and a maximum of 30,000 as delivered to the consumer.

Frequency of Inspection and Laboratory Examinations: Frequency of inspection of farms and plants not specified in Rhode Island regulations. The USPHS Code specifies at least one inspection of each farm and each plant every 6 months, with follow-ups on violations. Rhode Island regulations require that 4 samples be examined of raw and pasteurized milk and cream every 3 months. USPHS Code requires laboratory examinations to be performed at a minimum frequency of at least 4 samples every 6 months for milk and for all types of other milk products sold.

Connecticut

Dairy Farm Requirements: In general, Connecticut regulations for dairy farms are similar to the requirements of the USPHS Code, but lack the specificity contained in the USPHS Code. Connecticut farm regulations do not cover several important items of sanitation.

Pasteurization Plant Requirements: Connecticut plant regulations do not require use of airspace heaters or airspace thermometers on vat pasteurizers to insure proper pasteurization, as does the USPHS Code. Several other basic items of plant sanitation, which are spelled out in the USPHS Code, are not specified in Connecticut regulations, i.e., proper construction of dairy containers and equipment, and proper construction, protection, and testing of plant water supplies.

Health of Cows: Connecticut regulations require that all cows be given annual examinations for tuberculosis and brucellosis. The USPHS Code specifies compliance with USDA programs for tuberculosis and brucellosis control.

Bacterial Counts: The Connecticut maximum bacterial count standard for raw milk for pasteurization is 300,000 per ml. The USPHS Code specifies a maximum of 200,000 per ml. for raw milk for pasteurization. The Connecticut maximum bacterial count standard for pasteurized milk is identical with the standard in the USPHS Code. The Connecticut regulations do not specify coliform or phosphatase standards, as does the USPHS Code. The coliform standard is an index of contamination subsequent to pasteurization, and the phosphatase standard is an index of proper pasteurization.

Connecticut (cont'd)

Note: In addition to regular pasteurized milk, the Connecticut State Department of Agriculture has promulgated very limited regulations for "Grade A milk and cream." The maximum bacterial count standard for Grade A milk for pasteurization is 100,000 per ml. and a maximum count of 10,000 per ml. after pasteurization.

Frequency of Inspections and Laboratory Examinations: Connecticut regulations state, "the Commissioner shall inspect regularly and as frequently as possible the dairy farms and milk plants." The USPHS Code specifies at least one inspection of each farm and each plant every six months, with follow-up inspections on violations. Connecticut regulations do not specify the frequency of bacteriological sampling, but merely state that they should be run regularly. The USPHS Code requires laboratory examination of all milk and milk products sold, at a minimum frequency of 4 samples each 6 months.

New York

Dairy Farm Requirements: New York farm laws follow generally the basic requirements of the USPHS Code; however, they are not as specific as the USPHS Code. Two-compartment wash vats, hand-washing facilities and bactericidal rinsing of milkers' hands are not required by New York, but are specified in the USPHS Code.

Pasteurization Plant Requirements: New York regulations omit many important requirements necessary for proper pasteurization of milk and protection of milk from contamination. New York regulations do not require easily cleanable construction of walls and floors, effective screening during fly season, or a separate receiving room for raw milk. The USPHS Code is quite specific as regards these requirements.

Health of Cows: New York regulations require an annual test for tuberculosis and require all dairy herds to comply with Plan A for brucellosis. The USPHS Code requires compliance with the USDA programs for tuberculosis and brucellosis control.

Bacterial Counts: The bacterial counts specified in the New York regulations for raw milk and pasteurized milk are identical to those contained in USPHS Code.

Frequency of Inspections and Laboratory Examinations: New York requires that farms and plants be inspected by industry, initially, and at least annually thereafter. Samples of raw and pasteurized milk are required to be obtained and examined by the processor at intervals of not more than 3 months.

New York (cont'd)

The USPHS Code specifies at least one inspection of each farm and each plant every 6 months, with follow-ups on violations; and further requires laboratory examination to be performed at a minimum frequency of at least 4 samples every 6 months for milk and all other types of milk products sold. USPHS Code provides, in the case of raw milk, for acceptance of industry inspections and laboratory examinations only as a supplement to official inspections and examinations. The USPHS Code requires inspection of pasteurization plants and laboratory examinations of pasteurized milk to be performed by the official supervisory agency.

New Jersey

Dairy Farm Requirements: New Jersey farm requirements are not as specific as those contained in the USPHS Code, and do not cover many important items of sanitation. Specifics on such matters as milking barn lighting, bactericidal treatment of dairy equipment with chemical sanitizers, temperature of cooling, and proper protection of farm water supplies are not provided for. The USPHS Code is quite specific with respect to all of these basic sanitation items.

Pasteurization Plant Requirements: New Jersey regulations omit many basic items necessary to insure proper pasteurization, such as requirements for indicating and recording thermometers, leak-protector inlet and outlet valves on pasteurization vats, and stops on pasteurization vat outlet valves. These requirements are contained in detail in the USPHS Code.

Health of Cows: New Jersey regulations do not specifically mention bovine tuberculosis and brucellosis control. They contain a broad requirement that an examination of cows shall be made by a licensed veterinarian of the State or other jurisdiction at least once a year. However, it is known that the State carries on a tuberculosis and brucellosis control program in accordance with the rules and regulations of USDA programs for tuberculosis and brucellosis control. The USPHS Code requires compliance with the USDA programs for tuberculosis and brucellosis control.

Bacterial Counts: The New Jersey maximum bacterial count standard for raw milk for pasteurization is 150,000 per ml. in the case of producers shipping milk in cans, and 50,000 per ml. for producers using bulk milk cooling tanks. The USPHS Code specifies 200,000 per ml. for raw milk for pasteurization, irrespective of the type of equipment used by the producer. The New Jersey maximum bacterial count standard for pasteurized milk is identical to that specified in the USPHS Code.

Frequency of Inspections and Laboratory Examinations: The New Jersey regulations do not specify the frequency of inspection of producer dairies and milk plants. The USPHS Code requires inspection of both farms and plants initially, and at least once each 6 months thereafter. New Jersey regulations do not contain specific requirements as to the frequency of laboratory examinations. The USPHS Code specifies that milk and all other types of milk products shall be examined at least 4 times each 6-month period.

New Jersey (cont'd)

Note: In addition to the New Jersey Health Department milk regulations above, the New Jersey State Department of Agriculture has promulgated a voluntary program for New Jersey-produced "Grade A" milk. This milk grading program is elective, and a special inspection fee is charged to those plants who participate. The bacterial count of raw milk before pasteurization is required to be not more than 50,000 per ml. After pasteurization, the count is required to be not more than 10,000 per ml. It is reported that only 7 or 8 dairies in the State participate in this particular program.

Pennsylvania

Dairy Farm Requirements: Pennsylvania regulations are quite general as regard basic milk sanitation requirements. On many important items, they lack the specificity contained in the USPHS Code. In addition, Pennsylvania regulations do not include specific requirements on cleanliness of floors, walls and ceilings in the milking barn; do not require cow udders, flanks and bellys to be clean at milking time; and do not require facilities for washing of the milker's hands, or even that the milker's hands be clean at the time of milking. Pennsylvania milk regulations are also deficient in that they do not provide for proper construction and protection of farm water supplies used for the cleaning of dairy equipment. This is a serious deficiency as a farm water supply contaminated with domestic sewage or animal wastes can contaminate the milk with disease organisms.

Pasteurization Plant Requirements: Pennsylvania plant regulations are dificient in many important respects and are not considered equivalent to the pasteurization plant requirements specified in the USPHS Code.

Health of Cows: Regulations on tuberculosis are quite similar to USPHS Code. State achieved a modified certified bruceliosis-free status in March 1958.

Bacterial Counts: The bacterial counts specified in the Pennsylvania regulations for both raw milk and pasteurized milk are identical to those specified in the USPHS Code.

Frequency of Inspections and Laboratory Examinations: Dairy farms are inspected by licensed "approved" industry inspectors at 6-month intervals. USPHS Code requires that the official State or local control agency inspect each dairy farm at least once each 6 months, and if industry inspection of farms is used, such inspections shall be considered a supplement to, and not a substitute for official inspection, and an inspection by the official agency be conducted at least annually. Pennsylvania requires that pasteurization plants be inspected by State or city inspectors at least annually. The USPHS Code requires plants to be inspected at least once every 6 months.

Pennsylvania (cont'd)

Pennsylvania regulations require that raw milk and pasteurized milk be tested monthly. USPHS Code requires laboratory examination of all milk and milk products at least 4 times each 6-month period.

Ohio

Dairy Farm Requirements: Ohio laws and regulations are broadly written and quite general. They lack specificity with respect to important items of sanitation, such as proper protection of farm water supplies and cooling of milk. The USPHS Code provides much more specific coverage.

Pasteurization Plant Requirements: Ohio plant regulations omit many fundamental items of sanitation necessary to insure proper pasteurization and protection of pasteurized milk against contamination. The USPHS Code is quite specific as regards these basic items.

Health of Cows: Ohio laws require the removal of cows from the herd if they are known to be afflicted with tuberculosis or brucellosis. USPHS Code specifies compliance with the USDA program for tuberculosis and brucellosis control.

Bacterial Counts: Ohio regulations are not specific with respect to bacterial count standards for raw milk to be pasteurized, and for pasteurized milk. The USPHS Code specifies maximum bacterial counts.

Frequency of Inspections and Laboratory Examinations: Ohio requires the same inspection frequency of both farms and plants as is required by the USPHS Code. Ohio regulations require sampling of raw milk and pasteurized milk at the same frequencies as specified in the USPHS Code.

Note: Despite the fact that Ohio has not based its regulations on the USPHS Code, 56 counties and 52 municipalities in Ohio have adopted the USPHS Code as local regulations. The State of Ohio also actively participates in the voluntary State-USPHS program for the certification of interstate milk shippers, which uses the USPHS Code as the basic standard.

Michigan

Dairy Farm Requirements: Michigan farm requirements are specific and, for the most part, similar to the requirements of the USPHS Code.

Pasteurization Plant Requirements: Michigan plant requirements lack specificity with respect to many fundamental items of sanitation necessary to insure proper pasteurization and protection of pasteurized milk against contamination. The USPHS Code contains detailed requirements relative to such items.

Michigan (cont'd)

Health of Cows: Michigan law requires that all "Grade A" milk come from tuberculosis-free cows as determined by annual testing. Testing for brucellosis is not specifically required by Michigan law; however, State Department of Agriculture does carry on a brucellosis control program. USPHS Code specifies compliance with USDA programs for tuberculosis and brucellosis control.

Bacterial Counts: Michigan bacterial count standards for Grade A pasteurized milk are identical to that contained in the USPHS Code. The maximum bacterial count standard for raw milk for pasteurization in Michigan is 100,000 per ml. The USPHS Code specifies a maximum of 200,000 per ml. for raw milk for pasteurization.

Frequency of Inspections and Laboratory Examinations: Michigan law does not specify frequency of inspection for either dairy farms or pasteurization plants. The USPHS Code requires inspection of both farms and plants at least once each 6 months. Michigan law requires the examination of monthly samples of raw milk for pasteurization, and the examination of 4 samples of pasteurized milk each 6 months. USPHS Code requires a minimum of 4 samples each 6 months for both raw milk for pasteurization and pasteurized milk.

Tennessee

Dairy Farm Requirements: Tennessee regulations are very general and are confined to one paragraph defining "insanitary milk." Numerous items are omitted, such as construction and protection of water supplies, adequate cooling of milk, screening of milkhouse, and provision for adequate facilities for washing and bactericidal treatment of milk utensils. All of these items of sanitation are specifically required by the USPHS Code.

Pasteurization Plant Requirements: Tennessee plant regulations are not as specific as those contained in the USPHS Code, and are deficient in many fundamental sanitation requirements necessary for the proper pasteurization of milk and the protection of pasteurized milk against contamination.

Health of Cows: The Tennessee regulations contain no specifications for control of tuberculosis and brucellosis in dairy cattle. The USPHS Code specifies compliance with USDA programs for tuberculosis and brucellosis control.

Bacterial Counts: Tennessee law does not contain bacterial count standards for raw milk for pasteurization or for pasteurized milk, as does the USPHS Code.

Tennessee (cont'd)

Frequency of Inspection and Laboratory Examinations: The Tennessee regulations specify that inspections shall be made at a frequency "as the Commissioner may deem proper" for both farms and plants. The USPHS Code requires inspection of both dairy farms and plants prior to the issuance of a permit, and at a minimum of at least once each 6 months thereafter. The Tennessee regulations do not specify the frequency of laboratory examination of milk, as does the USPHS Code.

Note: Despite the fact that Tennessee has not based its regulations on the USPHS Code, 12 counties and 79 municipalities in Tennessee have adopted it as the local regulation.

North Dakota

The dairy regulations of North Dakota were found to generally follow the basic milk sanitation requirements as outlined in the USPHS Code, but did not contain nearly the degree of specificity as outlined in the Code. However, under Section 4-1703 of the North Dakota Dairy Law, the following statement appears, which directs the Dairy Commissioner to follow the USPHS Code in enforcing Grade A milk regulations in the State:

> In the enforcement of the regulations regarding Grade A milk in Chapter 4-10 of the North Dakota Revised Code of 1943, the Dairy Commissioner shall be guided by the interpretations, not inconsistent with the North Dakota law and regulation, which are contained in the latest edition of the Recommended Milk Ordinance and Code of the United States Public Health Service, a certified copy of which shall be on file in this office.

Note: Even though North Dakota has not adopted the USPHS Code, it in effect utilizes the Code in the enforcement of its regulations. It should also be noted that 24 counties and 44 municipalities in North Dakota have adopted the USPHS Code.

California

Dairy Farm Requirements: California regulations for dairy farms are similar in intent and scope to the USPHS Code. California regulations contain specific and detailed construction dimensions for such items as gutters, alleys, curbs, stanchions, and mangers. Such degree of specificity is purposely not contained in the USPHS Code. California also requires a two-room milkhouse, unless a pipeline milker is in use. The USPHS Code provides for the acceptance of a one-room milkhouse.

California (cont'd)

Pasteurization Plant Requirements: Pasteurization plant requirements of the California regulations are generally equivalent to those contained in the USPHS Code.

Health of Cows: California requires tuberculosis examinations of all dairy herds every 2 years and requires conformance to the USDA program for brucellosis control. The USPHS Code specifies compliance with USDA programs for both tuberculosis and brucellosis control.

Bacterial Counts: The California maximum bacterial standard for raw milk for pasteurization is 75,000 per ml., whereas the USPHS Code specifies a maximum of 200,000 per ml. for raw milk for pasteurization. The California bacterial standard for pasteurized milk is 15,000 per ml. at time of delivery to the consumer, while the USPHS Code specifies a maximum of 30,000 per ml. as delivered to the consumer. California regulations do not provide for a standard for coliform organisms in pasteurized milk, whereas the USPHS Code does. The coliform count is an index of milk contamination subsequent to pasteurization.

Frequency of Inspections and Laboratory Examinations: California regulations specify that the dairy farms shall be inspected 6 times per year and that pasteurization plants shall be inspected twice each month. The USPHS Code specifies at least one inspection of each farm and each plant every 6 months, with follow-up inspections on violations.

California regulations provide for laboratory analysis of 2 pasteurized milk samples twice each month and raw milk samples on a monthly basis. The USPHS Code requires laboratory examinations to be performed at a minimum frequency of 4 samples every 6 months for milk and for all types of other milk products sold.

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Important as it is to have adequate standards and regulations, effective and dependable performance is of even more vital significance from the standpoint of protecting the public health. During the past few years, in the discharge of its official duties, and at the request of State milk sanitation agencies, the USPHS has made ratings of a number of milk supplies in the New England States, New York, and New Jersey. In addition, personnel in several of these States have made ratings and furnished them to the USPHS. The results of these particular ratings are presented below:

EXAMPLES OF RECENT AVERAGE SANITATION COMPLIANCE RATINGS OF PASTEURIZATION PLANTS AND SOME PRODUCER SUPPLIES IN NORTHEAST UNITED STATES[1/]

Year	Location	Type of Rating	Average Sanitation Compliance Rating (%)
1960	Metropolitan New York City	2 Pasteurization Plants	83.0
	Metropolitan Connecticut Community	2 Pasteurization Plants	70.5
	Eastern New Jersey	5 Pasteurization Plants	81.6
	Eastern Massachusetts	3 Pasteurization Plants	77.6
	Central Massachusetts	3 Pasteurization Plants	87.6
	Central Pennsylvania	2 Pasteurization Plants	80.0
1961	Eastern Massachusetts	1 Pasteurization Plant	65.0
	Northern New York	30 Producers	86.6
	Western Pennsylvania	10 Pasteurization Plants	82.0
	Eastern Pennsylvania	5 Pasteurization Plants	68.5
	Eastern New Jersey	9 Pasteurization Plants	59.0
	Southern New Jersey	25 Producers	77.0

1/ Ratings were made by the U. S. Public Health Service at the request of State milk sanitation agencies and the dairy industry, and in the discharge of its official duties.

EXAMPLES OF REPORTED INSTANCES OF SANITARY MILK REGULATIONS USED AS TRADE BARRIERS

1. St. Louis, Missouri

The city of St. Louis, whose regulations are basically similar to those recommended by the Public Health Service, insists on making inspection of all milk sold in the city, whether from within the State or from out-of-State sources. Although during periods of shortage, Grade A milk from outside sources is accepted without difficulty, at other times, the city refuses to issue permits to out-of-State sources and cites failure to comply with health regulations as the reason.

One of the procedures used to deny permits is to "up-grade" the St. Louis regulations for the reason "that all new producers and plants must comply with additional requirements now found to be necessary," but which have been waived in the case of local producers holding permits. Supposedly all new farms and plants on the city's own milkshed must also meet these requirements. Outside sources wishing to sell milk in St. Louis find it difficult and expensive to comply with these requirements which are not insisted upon by their own milk sanitation agencies. Example: The city has been known to refuse to issue permits to out-of-State sources (1) when the producer dairies have well pit installations which meet current requirements for existing water supplies; (2) where "so called" basement barns are used for milking, rather than milking parlors; and (3) for can producers. The Milk Ordinance and Code as well as all State regulations, provide for the acceptance of raw milk from both can and bulk tank producers.

One of the reasons why St. Louis insists on self inspection, rather than to accept results of inspections made by the supervisory health jurisdictions of an out-of-State supply, is that St. Louis finances its milk inspection service by an assessment against the industry on a hundred-weight basis, and feels that local industry would object if out-of-State supplies were not similarly assessed. Thus, if an outside supply is under a system of inspection in its own State, for which it pays another health agency, it would be subject to dual assessment and frequently feels that it cannot afford to enter the market.

Data is available which shows that milk inspectors from St. Louis, when making inspections in Illinois of Illinois shippers, are more severe in applying rating procedures than they do for their own shippers. This data indicates that debits of from 9 to 19 points in excess of those required by the PHS method of surveying milksheds

have been inflicted on Illinois shippers. Accordingly, St. Louis is provided with an excuse for refusing permits, since by this technique, their inspections show that the milk supply in Illinois is of inferior sanitary quality. PHS surveys of some of these same Illinois supplies have shown that they rate at least 90% compliance with the Milk Ordinance and Code.

2. District of Columbia

The District of Columbia has for many years operated under a closed market system of administration. Milk has been admitted only during periods of extreme shortage, and only until such time as the local milkshed could be expanded to meet local needs. This situation has arisen as a result of an interpretation, by the Corporation Counsel, of the 1925 D. C. Milk Code to the effect that the D. C. Health Department must inspect all milk sold in the District. Such inspections are not usually made except under a milk shortage condition.

Over the years, the D. C. milk regulations have contained many restrictive provisions, which producers outside the local milkshed found expensive to meet when their permit applications were considered. Examples of such restrictive provisions were: (1) insistence for many years that milk equipment and utensils on the farm must be subjected to steam sterilization, which can only be done through the installation of expensive steam chests and steam boilers; (2) insistence on two-room milk houses for producer dairies; and (3) inclusion in the regulations of specific distances and dimensions for such items as barn gutters, cow platforms, location of cowyard, etc. Recently, the D. C. regulations were changed in such manner as to bring them into closer conformity with the Milk Ordinance and Code; however, Section II of the Milk Ordinance and Code, which permits acceptance of milk from outside areas under specified conditions, was not included in the revised regulations. It has also been reported, though not proven, that when a new producer applies for a permit, the restrictive features, such as dimensions and distances, are still being applied in "scoring" the applicant's form.

Two years ago, during the local milk squabble, milk from sources in States outside the local milkshed was processed in D. C. plants for sale in nearby Maryland communities. The D. C. Health Department required that this milk be handled separately and not commingled with D. C.-inspected milk. However, it was processed in the same plants and equipment. Although the milk was accepted by the State Health Department in Maryland, the D. C. Health Department would not permit it to be sold to D. C. consumers. This appears to be a clear illustration of the unwarranted use of health regulations as an economic trade barrier since the milk sold in Maryland in no way endangered the public health.

3. Ardmore, Pennsylvania

For many years this community has required that all milk sold within its jurisdiction be under direct inspection of its own milk sanitation officer. Although sufficient funds are reported to be appropriated for the inspection of the amount of milk which is consumed in the community, plants which also distribute elsewhere are required to pay the inspection costs of their total supply. Since this is a suburban community (Philadelphia), and sales would be small, several Philadelphia plants have not found it economical to pay the inspection costs, and do not sell in this market. In addition, this township enforces highly specific sanitation requirements which have been carried to the extent that farm tanks and other dairy equipment meeting 3-A Sanitary Standards, which are recognized by most health jurisdictions, are not permitted on farms and plants supplying this market, unless they meet additional requirements. Thus, the trade barrier is not limited to milk alone, but extends to milk equipment as well, and results in higher equipment costs to dairy farmers and milk processors.

4. State of Nevada

The State of Nevada passed a law in April 1955 which requires the State Department of Health to investigate and inspect all out-of-State sources of milk (both farm and plants). Only in those instances where full compliance with Nevada regulations exists are permits issued. Initially, the Nevada State Department of Health had been willing to accept out-of-State milk which had been certified under the voluntary State-PHS Program for Certification of Interstate Milk Shippers, but after the passage of this law, it was no longer able to do so.

Nevada regulations require a two-room milk house, which is not considered necessary for the production of clean, safe milk by most States or the Public Health Service. In order to comply with Nevada law, all out-of-State producers must construct two-room milk houses. This requirement imposes a heavy burden on out-of-State dairy farm producers and their processors who wish to market a portion of their product in Nevada. An Idaho milk plant operator described the effects of this requirement as follows:

> "...with interstate trade barriers such as they are, there is no incentive to increase our supply over and above local market requirements. Short supply States cannot expect others to carry a year around surplus in order to give them a supply during a few fall months when they happen to be short, and shut out these shipments by means of arbitrary standards the balance of the year."

Utah shippers have been seriously affected by this provision of Nevada regulations. It has been reported that Nevada has requested each Utah producer selling milk in Nevada to submit a plan indicating the changes they will make to comply with Nevada regulations. Upon receipt of such a plan, Nevada authorities will grant one year to achieve compliance.

5. Kansas City, Kansas

Kansas City, Kansas, has adopted regulations that no milk can be received in the City unless inspected by the Kansas City Health Department. In this connection, Kansas City has arbitrarily established the limit of its inspection to 45 miles, and charges an inspection fee based on 50 cents per cow.

6. General Restrictions imposed by Various States and Municipalities Which Have the Effect of Obstructing the Free Movement of Milk in Interstate Commerce

A number of States, including Alabama, California, Connecticut, Florida, Maine, Massachusetts, Michigan, Nevada, New Jersey, and New York, have included in their sanitary laws or regulations requirements that all out-of-State sources of milk and milk products be inspected by their own personnel before permits are issued. Frequently this provision of State law, and identical provisions in the sanitary regulations of many municipalities, are utilized to close the market against outside competition, which is a use of health regulations as economic trade barriers.

Various techniques are employed, such as, (1) charging exorbitant inspection fees, which outside shippers feel they do not wish to pay considering the volume of milk likely to be sold; (2) inclusion of detailed specifications in the regulations which have little or no public health significance, such as specific distances and dimensions for gutters, etc., and which are not required by the State in which the supply is located; (3) modification of label requirements; (4) lowering of bacterial counts specified in their regulations, and then refusing to accept the milk from an outside source because the jurisdiction in which it is produced does not have an identical regulation (in several such cases the bacterial count of the milk being received in the community has not been in question); and (5) refusal of unwillingness to inspect dairy farms or milk plants located beyond an arbitrarily fixed distance

Frequently, inspectors from one State, when inspecting supplies in another State, will apply standards more stringently than they are

enforced at home. Recently, an official of a large dairy cooperative in one of the eastern States advised a representative of the Public Health Service that when inspectors from his State check sources located in a neighboring State, the standards of compliance insisted upon were much more rigid than those with which producers in his own State had to comply.

Many small communities, and in some cases health districts, also use the "direct inspection provisions" of their sanitary regulations to protect local distributors from competition. As indicated above, this is sometimes done by assessment of high fees, refusals to make such inspections because of staff limitations, or by insisting upon requirements, which their own sheds are not meeting, when inspections of outside sources are made. Therefore, even though the regulation in itself does not constitute a trade barrier, the net result of this administrative practice is to close the market. A number of small Missouri and Kansas communities are known to follow this practice.

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I am privileged to have a part in this unique and significant occasion.

The United States Trade Center here in London is the first of its kind to be sponsored by my government in any country. It is a tangible symbol of a rich and centuries old relationship between your country and mine -- from which both nations have gained in wealth, in mutual understanding, and in strength to pursue the purposes of free men.

Through three centuries, the commerce between our countries -- growing as we have grown, changing as we have changed -- has been a steady force in creating the remarkable cohesion of our two peoples. Almost as much as our common heritage of language and law, the enduring trade relationship between us binds our historic and unshakeable alliance. This Center is a product of that relationship -- and I hope that it may give it even greater strength.

The Agricultural exhibit which I have the honor to open today is symbolic, too. Back of this display is a tremendous -- an almost unbelievable-- capacity to produce the essential wherewithal of life. In these uncertain times, I think we can all find a certain comfort in the fact that farms and farmers of the free world -- unregimented and uncollectivized -- are capable of producing food in an abundance that assures the essential underpinning of freedom's cause -- come what may. The food you see here -- and the productive capacity that it represents -- is perhaps the most powerful weapon in the world. If East and West have come to a stalemate in the capacity to produce weapons of destruction, there is no stalemate in the capacity to produce food for

Statement by Secretary of Agriculture Orville L. Freeman opening the Agricultural Exhibit, London Trade Center, London, England, at 11 a.m., London time (6 p.m. EDT) Tuesday, Sept. 5, 1961

the sustenance of human life. The advantage -- and it may be a crucial advantage -- is overwhelmingly, undeniably with the West.

The purpose of the exhibit, however, is not to rattle ploughshares, but to stimulate the peaceful pursuit of trade between two old friends. Quite frankly, we want to sell more of our food products to the people of England, and we hope this exhibit will help to do it. More than a hundred food processors, who have joined in this display, hope so, too. We are offering our wares in your marketplace in the tradition of international salesmanship -- a tradition, I might say, which your people knew all about before our nation was born.

You will find here more than a display of food. It is also a display of the imagination and inventiveness that has produced the miracles of modern processing and packaging. In the household of the 1960's -- at least in our advanced societies -- these mean greater cleanliness and purity, better preservation, selective quality, and -- a boon to the lady of the house -- greater convenience in preparing the family meals. And here let me say I'm on her side all the way -- my service in the United States Marines gave me, among other things, a deep and abiding appreciation of the potato that doesn't have to be peeled!

This exchange of innovation and new technology is a concomitant of international trade we all too often overlook. The transfer of new ideas and new methods from one country to another through reciprocal commerce is of greatest importance in sharing the benefits of the technological revolution now sweeping the whole industrial world. No one has a monopoly on new ideas. They pop up everywhere. Trade propagates them, to the improvement and enrichment of our lives. If we can offer you something new in the way of food,

we do so with grateful acknowledgement of your part in propagating the notion that the automobile can be a rather useful vehicle even without tail-fins and the palatial dimensions of a railway carriage.

As Secretary of Agriculture in President Kennedy's Cabinet, I ask your indulgence to digress momentarily to express my pride in the accomplishments of the American farmer, whose labor and skill and receptivity to new ideas are back of the food on display here today. Not long ago, in a speech in Indiana, I said that "like the prophet in his own country, the American farmer is vastly undervalued in his own United States." This, unfortunately, is the case.

And I sometimes wonder whether the significance of his achievement in sheer productive power is really understood elsewhere. Do the other countries of the free world know that the technological revolution in American agriculture has enabled productivity of farm workers to increase about 6 percent per year in the last decade -- while worker productivity in the non-farm sector has gained only about 3 percent a year? Or that the one farm worker who produced enough to feed 11 people 20 years ago now produces enough for 26?

I think it is important to cite these facts here, not boastfully, but because they have profound meaning for millions of people far beyond the borders of the United States. In the ultimate sense, they mean that the end of mankind's age-old quest for food -- the goal of enough-to-go-around -- is at least in sight. They demonstrate that the initiative of free men, the application of science and the adoption of new technology have made it possible, for the first time in history, to say that it lies within man's power to banish hunger from the earth.

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Our exhibit reflects this capacity to produce from the earth in great variety and almost limitless abundance. I hope it will also reflect our belief in the time-tested processes of international trade which have played so large a part in our history and can do so much to enrich the future for us both. We intend, as this exhibit indicates, to try to expand our markets in your country, and in return, we expect you to do your best to sell more of the products of Britain in the United States. We look forward to the progressive removal of barriers and restrictions so that the exchange between us may flourish and increase.

This exhibit is an ambassador of good-will. I hope it is going to be a good one.

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USDA 2828-61

U. S. Department of Agriculture
Office of the Secretary

NEW FRONTIERS IN FOREIGN TRADE

This occasion is for me both an honor and a great opportunity.

It is an honor because in this audience are many of Belgium's foremost leaders in business, government, and agriculture.

It is an opportunity because I hope, in these few minutes, to give you at least a glimpse of how we in the United States are trying to conduct our agricultural affairs in a way that is helpful to farmers and consumers, fair and constructive to business, and strengthening to the Free World.

This is a big task. In carrying it out we need your understanding and your support.

Agriculture in the United States is a vast enterprise. It includes four million farmers and their families. It is a modern efficient enterprise -- we believe our efficiency is not exceeded by any country in the world. It provides such an abundance that after feeding and clothing our own people we are able to sell large amounts of food and fiber to prosperous nations such as yours and at the same time, through assistance programs, make available large amounts of food and fiber to underdeveloped nations in support of Free World unity and advancement.

As Secretary of Agriculture, my greatest concern is that of keeping strong and viable this agriculture of ours which no longer is merely a food and fiber factory but which is serving as a potent force in the

Remarks of Secretary of Agriculture Orville L. Freeman before the American Chamber of Commerce, Brussels, Belgium, at 12:30 p. m. Brussels time (7:30 a. m. EDT) Wednesday, September 6, 1961.

affairs of mankind.

With Berlin literally only a few minutes away, no one is this audience needs any reminder of the world's contest between democratic and dictatorial systems. Even though the means of conducting the contest have become more complex, food continues to play as basic a role as it did in the days of Napoleon or Alexander. In this contest, we of the West have a great advantage in our food supply. Food is a problem for the communists. For us of the West, it is an asset.

The constantly improving agricultural efficiency of the Western world is one of the pillars of our free society. One way to measure the efficiency of agriculture is through the ratio of farm people to non-farm people. Belgium is a progressive industrialized nation and here, because of agricultural improvements, fewer farmers are able to feed more city people than was thought possible even a decade or two ago. The same is true in the United States. In my country, through mechanization and other farming advancements, one farm worker today is able to produce enough to feed 26 persons. In the Soviet Union, by contrast, one farm worker is able to produce enough to feed only 6 persons.

The secret of our greater agricultural productivity in the West is not necessarily any superiority of technical knowledge. There are few secrets in agriculture for the world's knowledge of farming is widely shared. We know that the Soviet Union has many excellent scientists and technicians for we have met them in recent years through our exchange programs.

What gives us superiority is our system of competitive free enterprise

which brings out the best efforts and the best rewards.

We of the West live by a set of rules which are unique in human history. We believe in competition but we also believe in compassion. For those who are our equals, whether in the athletic stadium or in the market place, we like to offer vigorous competition. For those who are weaker, we like to offer help toward greater economic strength and social progress.

Rules like these can and do bring misunderstanding in their application. There has been misunderstanding as to the intentions of the United States in our agricultural trade policies. On the one hand the United States is carrying out a vigorous foreign market development program, seeking to expand our sales of food and fiber to Western Europe and other prospering areas. On the other hand, the United States also is moving large amounts of food and fiber to the underdeveloped countries of Asia, the Middle East, Latin America, and Africa. Some of this moves as gifts, some with only token payment.

Is there a conflict between these two approaches? We believe not. On the contrary, we believe them to be a healthy practical application of the enlightened self-interest which guides our Western society.

Our approach toward international trade is quite simple. Basically we believe in the efficacy of the commercial marketing mechanism as the best means of providing consumers with goods and services. Where the commercial marketing mechanism has problems in rendering this service, it is our desire to help strengthen it so that it can function adequately.

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The United States, for example, is sending large amounts of food to India. Approximately a shipload of wheat moves from our ports daily to an Indian destination. In the fiscal year ending June 30, India received 22 percent of our exports of wheat. These are not cash transactions in the marketing sense; they are a form of assistance to a nation greatly in need of help. What we are doing might be defined as humanitarianism -- but there is economic reality in it also for we know that the only way that India eventually can become active as a cash buyer in the world market is to lend her a helping hand in these early stages of development. We look forward to that day when India, and scores of other newly emerging countries, can take their place alongside of you and our other commercial friends as active buyers of our products.

I might add that there is political reality in this, too, for as Nehru has said men are not much concerned about freedom and democracy when their stomachs are empty. India is having a hard time in feeding her people but what is today a dietary problem was once a hunger crisis and would still be a hunger crisis and a political crisis without the food assistance she is receiving.

The most obvious problem of the commercial marketing mechanism is encountered when countries are too poor to buy all the things they need. But other impediments can appear also, sometimes more subtly. When countries are prosperous but allow trade barriers to impede the ready flow of commerce between them, this too weakens the world's distributive system.

Of the two problems, poverty and trade barriers, the latter is the

more insidious because it is of our own making.

If we are to achieve our goal of a world that is well fed and well clothed, we must match our spectacular progress in agricultural production with equal progress in agricultural trade. This means not only helping underdeveloped nations to rise from poverty but also mutually removing barriers to trade from between our prosperous nations.

President Kennedy was elected on the keynote that the old frontiers are disappearing but there are new frontiers equally challenging, equally demanding of our best effort. One of the new frontiers -- one of the great new challenges -- is that of constantly improving our trading relations with one another. As we seek to produce agricultural abundance, we must make it easy for consumers to have access at reasonable prices to this abundance. Any system that fails to encourage the ready flow of supplies to consumers makes it that much harder to attain the goal of a better-fed, better-clothed world.

During the past quarter century much progress has been made toward relaxation of international trade barriers in the industrial field. This progress has been of benefit to nations and their people actively engaged in such trade. I regret that equal progress has not been made in the agricultural field. In agricultural trade, not only do many barriers remain but also there are signs in some areas that new barriers may be erected. If this regression takes place, it will harm business, it will harm consumers, and it will weaken the economic and political cohesion of the Free World.

The United States and you six countries that comprise the European Economic Community have long enjoyed a mutually profitable trade covering many products, including agricultural. There is a vast reservoir of good will in my country for the Common Market as a whole. But is is no secret that we do have grave reservations regarding the direction taken by some of the proposals for an agricultural import policy. My visit to Brussels and my talks that are scheduled with the Commissioners of EEC are primarily concerned with this matter.

It is not my intention to return your hospitality today by delivering a detailed criticism of Common Market agricultural import policies. In all candor, however, I feel impelled to say that American agriculture is concerned over the possibility of a restrictive import policy on the part of the Common Market which would reduce our sales to the area of wheat, rice, feed grains, livestock products, poultry, tobacco, certain fruit items, and possibly others.

We believe these proposals to be contrary to the trade-expansive spirit of the General Agreement on Tariffs and Trade to which the European community has subscribed.

Although the EEC agricultural proposals seek to remove barriers in agricultural trade between members, we who are not members of the fraternity can only look on them as restrictive if they disrupt the pattern of our agricultural trading relations with the area.

The United States is doing its best to pursue a liberal policy of agricultural trade, in consonance with the spirit of GATT. We ask no more

(more)

than access to markets under fair and reasonable competition as between imports and domestic production.

The problem of restraints on movements of agricultural products is not one that affects only producers and consumers of those products. The effect is felt by the industrial community as well, and I should like to cite a current example. Let us consider feed grains, a commodity that is basic to the production of many consumer foods. When a nation imports substantial amounts of feed grains, as Belgium does, and when that nation places increasingly heavy import levies upon feed grains, as Belgium has been doing, those fees are passed along to the consumer in the form of higher prices for meat, milk, butter, and eggs. Since your industrial wages are determined by the cost of living index, this causes your wages to go up proportionately -- which adds to your costs of production and the prices you must ask. Since you export a substantial part of your manufactured goods, you business representatives may find it that much harder to meet price competition in the world market -- because of a cost spiral that begins with a feed grain import fee. On the other hand, a freer international trade policy could bring about in the long run, higher standards of living at lower real costs to all concerned. This, I suggest, is something worth considering.

I do not wish to end on a note of pessimism or criticism. We of the United States enjoy and appreciate the excellent relationships that we have with Belgium and all nations of Western Europe. We share the same rules of conduct and we like to do business with one another. We have similar aspirations and goals, and we stand united for a cause we all

believe in. But problems do arise, even among the best of friends and it is best to recognize them and resolve them as they appear. In this way lies mutual trust, advancement, and friendship of long duration.

USDA 2838-61

U.S. Department of Agriculture
Office of the Secretary

TURNING THE CORNER

Governor Sanford, Commissioner Ballantine and friends. It's a great pleasure for me to be visiting with you in the Tarheel State this morning ... my first visit to North Carolina since my days as Governor of Minnesota. I had the pleasure of serving in that office during the period that your distinguished Luther Hodges was governor of your State -- and it is a great satisfaction for me now to serve in the Cabinet with so fine a gentleman and so dedicated a public servant.

I must say, too, that the State of North Carolina is providing a wealth of leadership among farm policy makers in Washington -- both in the legislative and executive branches. On Capitol Hill, of course, my good friend Congressman Cooley represents not only this Congressional district but the farmers of all America with great distinction, as Chairman of the House Agriculture Committee. The distinguished performance of Congressman Cooley and the other members of your state delegation must be a continuing source of pride to the people of North Carolina.

In the Executive Branch, I feel especially blessed to have Charlie Murphy as my Under Secretary ... and to have Harry Caldwell as Chairman of the National Agricultural Advisory Commission. I know you are aware, too, of the outstanding service being performed in the Department by E. T. York, Jr., as Administrator of the Federal Extension Service, and Horace Godfrey, as Administrator of the Agricultural Stabilization and Conservation Service. Both fine Administrators and much respected and appreciated in the Department.

Address by Secretary of Agriculture Orville L. Freeman before a joint meeting of the Farmers Cooperative Exchange and the North Carolina Cotton Growers Association, Raleigh, North Carolina, September 15, 1961, 11:00 a.m., EST.

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USDA 2981-61

Here in Carolina, you have at work in the interest of agriculture such stalwarts as Dewey Arndt, C. B. Player and Tommy Upchurch ... and, of course, your able Commissioner of Agriculture -- L. Y. (Stag) Ballentine.

So, while it might be said that North Carolina is fortunate to have produced so many fine agricultural leaders -- it is just as true that our nation is fortunate to have the services of such distinguished Carolina sons.

I want to talk about HOPE -- which, I think, is the most essential element in agriculture. The farmer is the original hopeful man. He plants in hope ... cultivates in hope ... harvests in hope...Without hope, it's pretty hard to farm ... and pretty hard to live.

It is especially sad, therefore, that for several years the family farmer was fed a daily diet of hopelessness. His demonstrated ability to protect our nation from hunger -- in peace and war -- was rewarded with misunderstanding and economic distress. Greater success often brought greater distress.

To make matters worse, the family farmer was then told that if he couldn' make a decent living under those circumstances -- he could get out. He should become efficient, he was warned, or uproot his family and head for the city -- wher in the words of a popular song, only the cement grows.

Efficient he should become. And the more efficient he became -- the more he fell behind in relation to the economic position of other groups.

Farmers have tripled their output per man hour since 1940 -- yet this increase in efficiency has been accompanied by a steadily declining income.

Output per man hour on farms has been rising almost three times as fast as it has in industry. The farmer's buying power, however, has declined to the point where one hour's work will earn only a third as much as most other Americans. Yet he has to pay the same price for the same food, clothing and other necessities for his family.

The farmer has raised his productivity to the point where he was able in 1960 to feed himself and 25 others, compared with himself and about 10 others in 1940, and himself and about 14 others in 1950. Yet his economic position has kept slipping, and in 1960 he was working for an average of 82 cents an hour, compared with $2.29 in industry.

The primary beneficiary of the rapid increase in production efficiency has not been the farmer, rather the benefits have gone largely to others who are not farmers. So it's apparent that efficiency alone isn't the answer -- increased efficiency either must be tied with a reasonable means of adjusting production or with a way to increase the food capacity of the human stomach.

Finally, on top of all this the farmer has been subjected to a great deal of unjustified criticism. He has been scolded unfairly as a burden to the taxpayer -- and blamed unfairly for the high cost of living. This latter accusation has a special irony in a land that has never known famine and where food is really a bigger bargin than ever in history.

Truly, a nation that can afford to complain about abundance -- must be rich indeed.

(more)

If I can sum up my feelings about all this -- as we stand on the threshold of another harvest here in America -- I would do it this way. I believe that in agriculture we have turned the corner toward hope -- that we have moved around to the side of progress. Much still needs to be done -- but I believe we have left hopelessness behind. There are several reasons for my belief:

First, we have a President who is concerned, informed and gives leadership.

Second, we have seen and are seeing a substantial rise in farm income throughout the nation. We have proved that farmer income can be affected in a positive way through enlightened public policy in the field of agriculture.

Third, we have seen evidence of farmers' ability to work together successfully in adjustment programs ... programs intended to bring supply and demand into a better balance for the ultimate benefit of farmers, taxpayers and consumers.

Fourth, we have seen the beginning, at least, of a new understanding of the farmer's role in our economy. A new and much more accurate image of the farmer is being projected into the public mind.

In short, we have made the turn and started upward. This is a matter of the greatest pride to me -- and I know it is to President Kennedy as well.

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The things we have been able to accomplish in agriculture in the past eight months are due in large part to the leadership of President Kennedy. The first executive order in this Administration was related to agriculture -- an increase in food donations to the needy and the inclusion of additional foods.

The President personally ordered the changes in the farmer-committee system that have resulted in such an improvement in committee morale and effectiveness. His support had a great deal to do with the development and approval of the Feed Grain Program and other legislative proposals.

Many of you will remember the President's special farm message in which he said:

> "American agricultural abundance can be forged into both a significant instrument of foreign policy and a weapon against domestic hardship and hunger. It is no less our purpose to insure that the farm family that produced this wealth will have a parity in income and equality in opportunity with urban families -- for the family farm should be protected and preserved as a basic American institution."

The President's interest in agriculture is unflagging, and his dedication to the principles enunciated in that special message to Congress are a guiding signal for all of us who are working to improve the farmer's lot.

At the time this Administration came into office, the incomes of farm families had fallen lower compared with those of non-farm families than at any

time since the 1930's. Prompt and decisive action was called for -- and prompt and decisive action was forthcoming.

Within the week of the President's inaugural, work had begun on the 1961 Feed Grain Program. Within a few weeks, announcements had been made revising upward the price support rates for a number of important commodities. Price support levels were raised for 1961-crop cotton, rice, peanuts and dairy products. And in the case of flue-cured tobacco, grade loan rates were increased by an averag of 2.4 cents a pound.

We have been estimating that this series of actions alone -- the Feed Grain Program and the raising of price supports -- would have the effect of boosting the net incomes of farmers this year by a billion dollars. In the first half of this year, realized net farm income was at an annual rate of $12.6 billion or 12 percent above the first half of 1960.

Here in North Carolina, cash receipts from farming were up almost 11 percent for the first 5 months of this year -- and it doesn't seem at all unreasonable to expect an increase of some 60 million dollars in net farm income in this state -- which would bring total net farm income up to around 650 million dollars.

Consider cotton for a moment.

This administration came into office with a commitment to raise the income of cotton farmers. A month after taking office we announced a new minimum price support level reflecting 82 percent of parity. This is quite a bit higher

than the support rate proposed by the former Secretary of Agriculture and written into the 1962 budget of that administration.

That proposal would have dropped the support price for cotton to 70 percent of parity computed according to the 1961 law. If price supports had been set at that level for the 1961 crop, farmers in the Carolina area, and elsewhere, could expect to get $25 a bale less than they will receive under the rate established by the present administration.

Based on the North Carolina cotton crop outlook of 285,000 bales this year -- that is a difference of over 7.1 million dollars.

In the case of peanuts, this administration raised the minimum national average support price to a level reflecting 85 percent of parity -- and at the same time removed the $9 deduction that had been applied to the previous crop for inspection, grower association expenses and monthly storage.

These actions have the effect of increasing the net advance to producers by $28.76 a ton above last year -- and $35 a ton above the level suggested by the previous administration and written into its budget for this fiscal year. On the basis of the September Crop Report, this $35 a ton would mean a difference of over 5-1/2 million dollars to North Carolina peanut growers this year.

In the case of flue-cured tobacco, this administration's revision of grade loan rates has been followed by record prices at the auctions this season. This action -- increasing grade loan rates an average of 2.4 cents -- was taken in order to maintain the average support level of 55.5 cents a pound stabilized

by Congress in February of last year. With the changes in demand, varieties and cultural practices that had taken place, the old grade loan rates no longer reflected the required level of support.

This higher grade-loan rate, coupled with improved quality for the crop, has resulted in auction prices this summer that are running an average of more than 4 cents a pound higher than last year -- with demand continuing extremely good.

Grower income from the 1961 crop, based on present market indications, will be the largest return ever received for flue-cured tobacco. The 1961 flue-cured crop is estimated at about 1,260 million pounds. Based on that production, the rise in prices this year figures to mean more than 50 million dollars to growers in the flue-cured belt.

Tobacco growers have done a good job in balancing production to demand -- and they deserve the credit for the fact that our present tobacco program of acreage allotment controls and price supports has been so successful. This program has been effective in managing production, in order to prevent surplus accumulation and at the same time to provide a fair and reasonable return for growers.

The success of the tobacco program can be attributed in part to the fact that tobacco consumption does not fluctuate greatly, and that there has been a long-time increase in demand throughout the world. But mostly it's due to the fact that tobacco growers and their leaders -- many of whom are here today -- have taken the necessary action to maintain a sound and economical program for the long-time interest of the industry. Tobacco growers have been flexible and have accepted substantial reductions in acreage allotments when surpluses accumulated.

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This is true in peanuts, too. Peanut growers and their trade groups have done a fine job of adjusting production to the needs for their commodity.

So I want to submit my special compliments to these two farming industries -- tobacco and peanuts -- for their successful adjustment of supplies over the years.

As you know, the major problems that exist at the present time, so far as oversupply is concerned, are in feed grains and wheat. With the help of the Congress, and the farmers of America, we are taking action to do something about these commodities. The 1961 Feed Grain Program was the first of these actions, and within the past few weeks Congress has extended that program through 1962, and America's wheat farmers have voted in a referendum to put into effect the Wheat Stabilization Program based on the same principle.

When this administration came into office, time was already short -- so far as doing anything about feed grains was concerned. We had only a few weeks to devise a program, make it understood, and get it into effect ahead of planting time for corn and grain sorghums. Nevertheless, farmers signed up a fifth of all corn acreage in the country, and about a fourth of all grain sorghum acreage.

Here in North Carolina, farmers demonstrated an equal desire to cooperate. North Carolina growers signed up more than 25 percent of their corn acres in the program, and more than a third of the State's grain sorghum acres.

This is resulting, according to the new Crop Report, in a 20 percent crop reduction in corn and a reduction of over a third in grain sorghums. This kind of participation is the more remarkable in North Carolina, because this state is normally a feed-deficit area.

I believe that farmers in this area had the vision to understand the serious situation we have had in feed grains -- and what increasing inventories might mean in the absence of some kind of constructive program to get them under control. A continuing build-up of feed grains -- and the increase in public costs -- could threaten the existence of all farm programs.

At any rate, the high participation of North Carolina farmers in the 1961 Feed Grain Program is a matter of great satisfaction to me.

It is apparent now that -- with a program of no management, U. S. corn production in 1961 could have been expected to reach a record 4.2 billion bushels under the present conditions of near-perfect growing weather. Instead, the 1961 corn crop under the Feed Grain Program is expected to be about 720 million bushels lower than that.

The Department's crop report for September indicated that corn growers will produce about 3.5 billion bushels for grain, or some 372 million bushels under 1960 production.

It's important to remember that every bushel removed from production will save taxpayers about $1.11 for storage, handling, transportation and interest charges which would be paid out by the Department over the period it would normally have to carry the grain until final disposition.

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The 1961 growing season has produced near-perfect weather in the major corn areas. This has actually given us a tremendous boost in our effort to increase farmer income -- while at the same time the Feed Grain Program will enable us to reduce Government inventories.

Evidence of the effect of weather is reflected in the soybean crop, too. The trend in soybean acreage has been exactly the reverse of corn -- soybean acreage increased 3-1/2 million acres this year. The indicated production of soybeans increased 5 percent during the month of August. The average acre yield of soybeans is expected to be 3 bushels an acre above last year. This can only be attributed to the remarkably good crop weather.

High fertilizer use this year is a continuation of the trend -- which has been a dramatic increase over the past few years. Between 1954 and 1959, nitrogen use per acre increased two-thirds, while phosphorus was up 50 percent and potash up more than a fourth. This year, overall use of fertilizer is actually down.

So we've seen -- in the Feed Grain Program -- producers working together, on a nationwide basis, to bring under reasonable control the production of corn and grain sorghums.

I realize that farmer cooperation is an old story to the groups meeting here today, and I would like to cite two areas where there are new challenges ahead for that spirit of cooperation in terms of international trade and, more directly, in terms of the role of cooperatives in the 1960's.

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As cotton and tobacco growers, you have a particular interest in foreign trade. Last year, 49 percent of the cotton produced in this country was exported. Nearly 30 percent of the tobacco crop moved in export trade.

Obviously, if we can further expand the volume of this trade, it will be of major benefit to the farmers of North Carolina. As one step towards this goal, I went last week to Britain and Belgium. In Brussels, I had some very constructive meetings with the Common Market commissioners -- in the interest of more liberal trade policies. I feel that we made some good progress.

Returning to my own country after this extremely brief sojourn, I am impressed with the need to keep these liberal trade principles always before us. If we are to talk to European leaders about liberal trade -- we must remember always that trade is not a one-way street.

We have our export markets -- we also have a large flow of agricultural products coming in. In general, this is a good thing. We should never fall into the trap of thinking that exports are automatically good and that imports are automatically bad.

Two-way trade carried out on an economically sound basis, in which the principle of comparative advantage is observed, can be a good thing for all concerned. Its importance to agriculture can be better understood when we realize that farm production moving annually in foreign trade amounts to 14 percent of the total cash receipts from farm marketings, as compared to only 4 percent of the nation's industrial output.

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You might think of it in these terms: The value of farm commodities moving in export during fiscal 1960-61 equalled the combined cash receipts from farm marketings in North and South Carolina, Tennessee, Georgia, Kentucky, West Virginia and Ohio.

The challenge to cooperation in developing liberal trade policies is easy to see. And now, briefly, I would like to describe some of the broader challenges which cooperatives themselves will face.

For many years I have been interested in cooperatives as democratic enterprises of real service to their members as well as significant contributors to our free society. For the six years of my governorship, I saw how much cooperatives contribute to the life and economic growth of Minnesota. And for the past eight months I have become increasingly concerned with how farmer cooperatives might make their greatest contribution to a solution of the over-all problems of agriculture.

Recently, I had the pleasure of speaking to the American Institute of Cooperation at its annual meeting in Minneapolis. I suggested to that distinguished group that farmer cooperatives should make their voices heard in the formulation and adoption of a national farm policy -- one directed toward the achievement of broad goals for American agriculture. An effective, long-term solution of farm problems must do two things. It must provide, for the present and for the future, the efficient production of food and fiber adequate to meet human needs at home, and to serve as an instrument to further economic growth, peace and freedom abroad. It must also assure the efficient American family farm the opportunity to achieve an income comparable to that earned by other segments

of our economy, and it must do this with due regard for the interest of taxpayers and consumers. We cannot achieve these goals without a broad, flexible, sound national farm program. Farmer cooperatives should cooperate with each other in the interest of a broad legislative program for farmers.

I suggested also that farmer cooperatives should broaden their concern for the general welfare of the people of our nation -- in the cities and towns as well as on the farms. And my third general point was that the cooperative movement has much to contribute to peace and freedom throughout the world.

The most urgent need of our time is to overcome the threat to freedom and peace in the world. To this end our entire nation is mobilizing -- not only for defense but for foreign aid. The cooperative movement has much to offer through Food for Peace and Freedom ... through technical, economic and social help to underdeveloped areas ... and in many other ways.

To further these goals, I am reconstituting a Cooperative Advisory Committee to the Department of Agriculture, a committee that has functioned well in the past but has not been called on for many years. I am asking each of the six nationwide organizations of cooperatives to send one or two of its executives to meet with heads of the appropriate agencies within the USDA to discuss problems relating to the new frontier for cooperatives. These organizations are the American Institute of Cooperation, the Cooperative League of the USA, the National Council of Farmer Cooperatives, the National Federation of Grain Cooperatives, the National Milk Producers Federation, and the National Rural Electric Cooperative Association. I hope that we can hold the first meeting of this committee in the very near future.

I mentioned in the beginning of my talk that we are beginning to see some improvement in the public attitude toward farmers and farming. But there is still a vast gap where there should be understanding -- and all of us working in the field of agriculture have an obligation to do everything we can to bridge that gap.

For example, I believe that farmer cooperatives could make an invaluable contribution by channeling some of their advertising and public relations efforts in the direction of bringing about a greater public understanding of the contributions and needs of the farmers of this nation.

There is no single fact that I have learned as Secretary of Agriculture that has surprised and concerned me more than the vast depth of misunderstanding that prevails with regard to farming.

But there is hope here, too. Here and there ... if you watch carefully ... you can begin to see a glimmer of understanding. Here and there .. an urban magazine will begin to find comfort in the abundance that our farmers have created and provided to consumers at lower real cost than ever. Here and there ... a daily newspaper will tumble to the fact that American families must spend only a fifth of their disposable income for food while in Western Europe that proportion ranges between 30 and 45 percent ... and in Russia it is more like 60 percent. The education of our urban friends is a slow process ... but even here I believe we are justified in finding hope ahead.

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Hope is essential in the makeup of a farmer ... for too many years, there hasn't been enough to go around. But as we come to harvest once again ... in 1961 ... I believe we are turning the corner toward hope. For myself, I promise to do everything I can ... to keep us moving ahead.

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USDA 2981-61

U. S. Department of Agriculture
Office of the Secretary

16, 1961
Age of Managed Abundance
State Plowing Contest

THE NEW AGE OF MANAGED ABUNDANCE

This morning I have had a most enjoyable time visiting and talking with old friends and new, farm people and city people from my native Minnesota and neighboring states. It is good to come home, and I am greatly honored by this opportunity to meet with you here north of Melrose at Plowville, U.S.A., and to talk with you about agriculture and about conservation.

I have been interested for many years in these State and National Plowing Matches, and in the statewide Terra-Rama -- the Soil Conservation Field Days. I always look forward to these occasions. I appreciate their purposes, and the opportunity they afford us to meet for personal exchanges that give better insight into our mutual problems.

As many of you know, I have a long-standing interest in conservation. I dealt intimately with resource programs as Governor of Minnesota. Now, as Secretary of Agriculture, the Nation's interest in soil, water, and forest conservation is one of my major concerns.

And I believe that conservation -- not the mining or the exploiting of our natural renewable resources -- is one way to assure continued abundant production of food and fiber.

And I also believe that conservation can be extended in another direction with as great a reward as we now receive from soil and water stewardship. It is in the way we use both the productive capacity of our land and the abundance we harvest from it.

Address by Secretary of Agriculture Orville L. Freeman at National and State Plowing Contest and Terra-Rama, Melrose, Minn., Sept. 16, 1961, 12 noon (CST).

There is little argument -- either here or in the other countries of the world -- that in the production of food and fiber the American farmer has wrought one of the economic miracles of the century:

-- With one hour of labor, he produces four times as much food and other crops as he could 40 years ago -- and he does it on fewer acres.

-- During the same period he has boosted crop output by 65 percent per acre.

-- And he has brought about an 88 percent increase in the output per breeding animal.

-- In combining good land use principles with better plants and improved methods of tilling the soil, the American farmer during the 1950's increased his productivity by 6½ percent a year -- launching an agricultural revolution which is still gaining momentum.

-- Today, one farm worker produces food and fiber for 26 people.

Truly, in a world that has had to learn to live with scarcity, the American farmer has demonstrated that we can learn to live with abundance.

We have not been, nor can we afford to be, overwhelmed by the productive abilities of farmers. We regard these as a base on which the people of the free world can move upward. We propose to manage abundance, to end the policies of managed scarcity which allows hunger to exist in the midst of plenty and to bring a just reward to those who make this abundance possible.

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The President has stated the policy in simple, human terms by declaring that we shall use the strength of agriculture to serve Americans who have inadequate diets as well as our friends in other nations who end each day with hunger as a companion.

We therefore regard the programs of Food for the Needy, school lunches, and Food for Peace not as mere programs of disposal of unwanted agricultural abundance but as an opportunity to utilize the power of abundance to build a stronger nation and a freer world.

This is what carrying out the program and policy of President Kennedy has meant:

The President, in his first Executive Order, called for an expanded program of food distribution to families in need of food in greater quantity and nutritional value. Two days later the Department launched operations to obtain the additionally needed supplies. To the flour, cornmeal, rice and nonfat dry milk that were then available, we added canned pork and gravy, dried whole eggs, dry beans, peanut butter, and rolled oats. In June, canned chopped meat began to replace canned pork and gravy as the available meat item.

By June 30, the end of the fiscal year, distribution of the Nation's agricultural abundance to families in need of food had been stepped up from 526 million pounds in 1960 to 856 million pounds in 1961, reaching some 2.5 million more people than 6 months before. The Government cost per person per month is now averaging only about $4.25.

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We also began operation of eight pilot food stamp projects. These were opened in communities and localities of chronic and high unemployment as a means not only of improving distribution of our abundance where there is need, but of developing policies that would increase the efficiency of the direct distribution program and enable needy families to obtain the food of their own choice through regular retail channels.

As September began, there were about 142,000 people taking part in the food stamp projects. During August, they spent $1,802,555 of the limited funds they had available as their share of the costs of foods obtained with stamps. The Federal contribution amounted to $1,104,832 in the value of bonus coupons.

We are also making improvements in the National School Lunch Program and the Special Milk Program. The number of children to be served lunches in school this year will set a new record of more than 14 million, an increase of about 500,000. Some of these are children who will eat a complete lunch daily in schools which have never been able to afford this vital program. A special $2.5 million fund Congress authorized will allow us to furnish assistance to these schools in some areas of economic need.

Federal contributions in cash and food commodities for this program are expected to be $268 million this year, in comparison to the $225 million in fiscal 1961.

We are also increasing the benefits of the Special Milk Program, and this year will help provide some 2.6 billion half-pints of milk for school children -- including free milk for the first time to children in some low-income areas.

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Congress recognized the benefits of this program to the country's youth, and the program's role in better use of America's abundant farm capacity, by extending the milk program for five years, starting July 1, 1962. And as authorized by Congress, the Department has set aside $105 million for the Special Milk Program this year, $10 million more than in fiscal 1961.

The value of the direct distribution and school program is not limited to these obvious ends. They provide a means of making yet another use of the farmer's capacity to produce. In times of disaster, stocks of food obtained for these programs can be mobile strategic reserves.

Last week this was demonstrated when disaster struck, as you all know, over a vast area of the Nation. Hundreds of thousands of people in Louisiana and Texas fled before the fury of Hurricane Carla. More than 224,000 refugees of that storm were fed under Red Cross and Salvation Army operations, and stocks of food intended for distribution to the needy and for school lunches were used along with foods purchased in the area.

We have since helped to stock emergency kitchens set up to feed people in areas flooded by the storm as far north as Kansas.

As a further safeguard in this emergency, we have diverted 15 carlots of food enroute to cities in the Southwest. These supplies of meat, beans, peanut butter, and cheese are being made available to the coastal disaster area for emergency feeding of hurricane and tornado victims, many of whom had their homes damaged or destroyed.

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Immediately available for use in a natural disaster, these Direct Distribution and School Lunch Program foods are strong testimony to the ability of the farmer to feed the American people in case of limited emergencies, and the nation to utilize better the power of food to serve.

The experience in this limited disaster gives us good reason to consider how the nation is equipped to feed the American people in case of a nuclear war. Unlike the limited emergency, we cannot suppose that the quick movement of our abundant food stocks will be possible under conditions which will exist in a nuclear attack.

Because of this, President Kennedy has directed the Department to develop a National Defense Food Policy through which agriculture can strengthen the Nation's defense capabilities and create a deterrent to attack through knowledge that we are prepared to withstand any assault.

As a first step in a nationwide Strategic Reserve program, I recently proposed that we locate supplies of wheat in 191 metropolitan areas. These are areas our Civil Defense authorities believe would be targets in the event of a nuclear attack.

Pending further studies, the House Appropriations Committee has not made funds available for establishment of a Strategic Reserve of wheat. We are continuing our studies and planning of a long range program involving storage of more commodities.

Present studies of the proposed wheat reserves, however, indicate that the program could provide almost 95 million Americans with a food source easy to maintain, easy to process into edible forms: an average 3/4 pound of wheat a day until means of transportation of food can be restored.

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These wheat reserves would serve as insurance against interruption of food movements due to attack. They would be used after food in shelters, homes, retail stores and wholesale stocks were drawn down. They could be processed after an attack, and as you in this audience realize, nearly all localities have equipment capable of providing whole wheat flour or other cereal products adequate for use during an emergency. Where there is no such processing equipment, the Department might find it desirable to add inexpensive processing equipment at the stockpile sites.

One further point I would like to make in regard to the Strategic Reserve: The wheat in this reserve would remain a part of USDA stocks and be managed along with other Government stocks. It is not, in any sense, an attempt to "hide surpluses."

Nor is it a program that would result in much if any "new grain storage." New storage will be used only if offered for less than the cost of other commercial storage or the cost of relocating storage bins the Government already owns.

Wheat in Strategic Reserve is an example of how our agricultural abundance can be used: In this case, as a deterrent to nuclear attack through our ability to prepare for and withstand any threat and any force.

Now, let us take a look at the opportunity to make agricultural abundance a more potent instrument in the search for a better world and for peace through the Food for Peace Program.

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In a recent speech Senator George D. Aiken of Vermont described food as "America's most potent weapon." And he told how food has kept our flag flying in Yugoslavia. Senator Aiken said:

"The summer of 1950 was a cool season in Yugoslavia. The corn crop was a near failure. There would be none to export and not enough even for home use. The prospects were indeed desolate. Stalin's forces had stripped many industrial plants of whatever usable equipment had been left after the war.

"America had corn in excess of our needs. Although Yugoslavia was a Communist state and considered by many to be irrevocably committed to the Soviet bloc, our country, true to its tradition, gave to this Balkan nation some $38 million worth of food, principally corn. This food was distributed to the people under the direction of CARE. The Yugoslav Government cooperated fully in advising its people as to the source of this assistance.

"Although Yugoslavia today is a full-fledged Socialist state, it does not participate in the world movement of forcing this ideology on other nations. Had it not been for the timely help given by the United States, it is unlikely that Yugoslavia would be a free nation today."

Senator Aiken's point is well made. Our agricultural abundance is a strength peculiar to our land and our time. Where we can make food and fiber available to hungry people and help them get their own lands into production, we can show those people the value of a system that is life giving over one that boasts of power to destroy.

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Here is what we have done to implement a greatly expanded Food for Peace program this year:

During the first nine months of 1961 we have made 40 Food for Peace agreements -- for $1.5 billion worth of our farm products.

Food for Peace shipments in the fiscal year that ended in June were valued at $932 million, about 13 percent more than in the preceding year. That total represented about one-fifth of all our agricultural exports.

The effects of our increased efforts are steadily mounting:

By December 31 of this year, we expect to have committed for shipment abroad $5.3 billion worth of food and fiber, more than 2½ times the commitment arranged in 1960.

Some of these commitments are for up to four years in advance, and will provide a continuous use of the Nation's abundant farm production.

This year we asked and obtained from Congress authorization to send an extra $2 billion worth of farm goods overseas in exchange for foreign currency through the Food for Peace Program. This brought the authorization for 1961 commitments up to $3.5 billion from last year's $1.5 billion. Transactions now being negotiated with other countries will easily exhaust the extra selling authority.

Thus we expect to send abroad 425 million bushels of wheat, 45 million bushels of feed grains, 1 billion pounds of rice, 1.1 million bales of cotton, 950 million pounds of vegetable oils, 80 million pounds of non-fat dry milk, and 30 million pounds of tobacco. Also $25 to $50 million worth of tallow, lard, meat, poultry products and fruit.

(more)

We are expanding other Food for Peace channels. This year, for the first time, our gifts of food and fiber to foreign governments for famine relief and similar purposes are expected to account for one million tons of farm goods worth nearly $300 million. During the past six years, these gifts have averaged only about $100 million a year.

People-to-people donations of surplus foods to the needy overseas by voluntary relief agencies are expected to rise to $255 million, highest rate since 1958.

We expect also to be able to step-up the pace of barter programs, under which surplus farm goods are traded for strategic materials.

And, although authorized by Congress in 1959, we have recently completed the first sale of farm goods for dollars on long term credit. A $2 million transaction with El Salvador, this was a start on yet another means of using U. S. agricultural abundance as a weapon against present poverty and need in developing countries.

While we have vigorously begun to use agricultural abundance, we have also taken a necessary first step toward systematically meeting the actual needs through a study of the world food deficit. Preliminary reports on this study -- the first comprehensive summary of the world food gap -- show that the world food shortage for the year ahead will about equal 35 percent of U. S. annual milk production -- plus 40 percent of U. S. annual dry bean and pea production -- plus 120 percent of U. S. annual wheat production.

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We can not fill the world food gap alone. But we will use our abundance to help fill the gap. And as we help fill stomachs, we will export another great American commodity -- the American farmer's belief in the need to rebuild and conserve land so that it produces abundantly.

What I have enumerated here are actions which are possible only because of magnificent progress of American agriculture. The farmer is our greatest economic miracle man. Yet we have failed the farmer miserably as a nation; failed to give him credit and recognition, and failed to reward him financially. His economic handicap is great:

-- Last year, while producing the greatest harvest in history, the per capita income of farm people averaged $986 -- including government payments and income from off-farm sources. And the per capita income of our non-farm population climbed to $2,282.

-- While factory workers earned an average of $2.29 per hour, the farmer earned only 82 cents an hour.

-- Still, and here is a paradox that startles and upsets many people -- agricultural production rose 29 percent during the past 10 years while agricultural income fell down and down -- a total of 26 percent. Yet the reward for efficiency is a vast flood of unrelenting criticism.

Today, I can report that the thin thread of hope farmers have held is at last being justified. Since January, farmer's cash receipts have risen almost 4 percent, a net farm income promises to rise 10 percent above 1960. A feed grain program that will begin the task of reducing huge stocks of corn and grain sorghum to manageable size has worked for a change to the advantage of the producer, adding to those receipts several hundred million dollars that under the previous

program could only have gone to pay storage costs. And the costs of production have been held at about the level of 1960.

Through the Agricultural Act of 1961 -- which has brought a new wheat program and extended the feed grain program for a second year -- and through aggressive rather than apologetic administration of existing programs by the Kennedy Administration, we have begun to lift American farmers above the needlessly low economic levels to which they were pressed while men apologized as they stored and grudgingly distributed the fruits of agricultural industry and initiative.

If this progress is to continue, however, each of us concerned with agriculture should heed these words of President Kennedy: "Our farmers deserve praise, not condemnation; and their efficiency should be a cause for gratitude, not something for which they are penalized."

It means that each of us must all become salesmen for American agriculture. We must develop a recognition on the part of the general public of agriculture's contribution to our high standard of living -- and a public understanding of the importance of a sound farm program, not only to farmers, but to all Americans. Without this understanding, there can be no effective farm program.

With this understanding we can continue in the development of programs that will meet the goals of this Administration:

-- To better utilize the Nation's abundant agricultural productivity and achieve improved levels of consumption and nutrition in the U. S., and increase the use of U. S. farm commodities to improve nutritional and living levels and to support economic development in underdeveloped parts of the world.

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-- The strengthening of the agricultural economy by assuring to the efficient, adequate-sized family farm the opportunity to achieve parity of income by adjusting production to the kinds and quantities that can be used under this expanded demand. And by strengthening and improving agricultural services rendered by the Department of Agriculture.

-- The eradication of poverty in agriculture through assistance to low-production farmers and emphasis on Rural Areas Development.

-- The recognition of agriculture as an integral and indispensable part of the Nation's entire economy and future well-being.

This recognition can be gained through development of a program of resource conservation and use that is consistent with the long-term social goals and national requirements of the U. S. And these goals and requirements include those for the production of food, fiber, and forest products, for recreation, for general economic well-being and for national security, plus recognition of the need for strategic security reserves in agricultural products.

These are goals that we can gain together. Let us continue the progress we have so forcefully begun.

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U. S. Department of Agriculture
Office of the Secretary

RURAL AREA DEVELOPMENT -- LAND REFORM 1961

It is a great pleasure to be at the site of this beautiful new lake and take part in the dedication of the Mountain Run Watershed Project. As one who had deep concern for the conservation of our soil and water resources, and for the development of our great rural areas, I am pleased to see the fine cooperation between town and farm people that made this project possible. I congratulate the Culpeper Soil Conservation District, the Town of Culpeper, and the farmers in the watershed.

Two of our greatest Americans, Washington and Jefferson, who spent most of their lives near here, would be proud of what you have done. For they had profound respect and love for the land. They saw the evil of soil and water wastage, and they preached against it.

But their voices found poor soil for the idea of soil and water conservation to grow.

From Jamestown in 1607 to the first World War the people in North America were settling a boundless and rich new land. For more than three centuries they moved westward to the new. During all that time 10 generations of Americans had a chance to choose. They could always move to new land -- to go west, to grow up with the country.

Address by Secretary of Agriculture, Orville L. Freeman at dedication of the Mountain Run Watershed Project near Culpeper, Virginia, on Saturday, September 23, 1961, 2:00 p.m., EDT.

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Today our new frontier no longer lies to the west. The new frontier is in the strength of the people, in the strength of our natural resources, and in our determination to build upon and improve what we have, where we are. This frontier is here in Culpeper, and it is in every city and county in the nation. Each person also has a chance to choose on this frontier.

The Mountain Run Watershed is a splendid example of choosing progress on this new frontier of resources development. It is also a remarkable example of cooperation between local and State groups and the Federal Government. Here all around us, for all to see is concrete proof of what Americans out in the farming communities and in the small towns can do, with the cooperation of their State and Federal Governments to improve what they have, where they are.

Your project is primarily for flood prevention and soil and water conservation, yet the benefits extend far beyond the pastures, the fields and woodlots. These benefits extend to the town and the lives of everyone in the community. No longer will untamed Mountain Run take its toll in fertile soils, roads and bridges, private and public properties. No longer will your economic growth be stifled by water shortages. You have evidence of that already in three productive new industries, a new hospital, new homes and shopping centers made possible by an adequate water supply. You have lakes and picnic sites, recreational facilities created from empty fields. You have stabilized the fundamental source of farm production -- the soil in your farming communities.

In short you have produced an outstanding example of Rural Areas Development -- of land reform in modern America. I hope it will be multiplied thousands of times over to promote growth and progress in small towns and farming communities all across the Nation.

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It is essential that this progress continues, for there are few things more important to the long-range future of the nation than the development of new enterprises and new opportunities in rural America.

This is not an idle statement. The facts indicate that the need for development in rural areas is very real. A brief examination of these facts will illustrate what I mean.

Unemployment of human resources in agriculture is greater in relation to rural population than non-farm unemployment is in relation to urban and city population. We estimate that if the underemployment of individuals in agriculture were converted on an annual basis to an unemployment figure, there would be some 1.2 million unemployed in agriculture today.

Both agriculture and industry benefit today from the scientific and technological advances which are pushing forward at breakneck speed. But their value is somewhat diminished by the technological unemployment and the displacement of human resources which also are a product of these developments.

In many ways, this aspect of the work of scientists and engineers is having a much more noticeable effect on agriculture.

We know, for example, that about 44 percent of the nation's farmers produce but 6 percent of the food and fiber, and have a gross income of less than $2,500 a year.

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We also know, for example, that during the next 15 years there will be over 4 million farm youth who will reach working age and will require job opportunities. In addition, during the same period we can expect over 8 million young people in rural areas who are not on the farm to be seeking employment opportunities.

In the past -- and even at present -- the lack of opportunity in rural areas has resulted in a migration of the youth from the local community to the rapidly growing urban areas. Between 1950 and 1960, nearly 1,600 small rural counties lost population.

The impact of science and technology has not been limited to the marginal farm. It has not discriminated. In the past decade, farm production increased almost 30 percent but agricultural income declined 26 percent. It has meant that while non-farm income reached $2,282 per capita in 1960, farm income per capita last year stood at $986 -- including government payments and income from outside sources.

This, then, outlines some of the very serious rural economic problems which call for immediate and firm action which can be provided through a Rural Area Development program. There is a second part of the overall problem which deals specifically with land and water resources.

Land and water are scarce resources. We will not increase the supply of land, nor can we substantially increase the amount of available water. Yet the growth of population, the increasing amount of time available for leisure and the high degree of mobility of the American people create new and pressing demands.

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Today almost one-fourth of our people face a water shortage, or have poor water, or both. The nation's water supply over the years has held up well, but demands have grown tremendously. President Kennedy recently pointed out to the Congress that we now use 300 billion gallons of water a day. By 1980 we will need 600 billion gallons a day.

Consider the land. Every day we see more acres of land consumed by housing developments, shopping centers, super highways and airports. The nation consumes one million acres of land a year for urbanization. We also are losing the equivalent of an additional 400,000 acres yearly to erosion. Much of the loss is the very best agricultural land.

Consider the population trend. Today, about 183 million people live in the United States. In 15 years, the Bureau of the Census tells us we will have a population of 230 million people. They will need more water, more land, more recreation, more food and more timber, and they will look to the rural areas to find these things.

These, then, are some of the factors which combine to create the need for rural area development. It is a need common to all states, because we find the causes in Virginia as well as in Minnesota or Maine or Arizona.

I can assure you it is not a simple problem, either. Changes come hard to rural areas where farming is as much a way of live as it is an economic pursuit. But we are addressing ourselves to the problem, and I would like to outline for you briefly what we are doing and are planning to do with the Department's Rural Area Development program.

Essentially, we are moving to reorient and redirect the activities and resources of the Department to reduce waste, to stimulate economic enterprise and to generate more productive and entirely new employment opportunities in the countryside, towns and small cities of the nation.

Our goal is to sustain a rate of economic growth throughout rural America which will fill the gap created by poverty in parts of agriculture by the exhaustion of mineral resources and the loss of employment and by the lack of job opportunity for the rural youth -- a rate of growth that will bring rural America up to a level of economic equality with the other sectors of the nation's economy.

And if the program is to succeed -- whether in the specific form of a watershed program or an REA-sponsored industry -- the energy, drive and vision will have to come from within the community itself.

I can assure you the Department stands ready to help.

We have organized within the Department a Rural Area Development Board to coordinate the activities of the major agencies -- Soil Conservation Service, Rural Electrification Administration, Farmers Home Administration, Forest Service, Agricultural Marketing Service, Extension Service and others -- which have been instructed to give this program top priority.

The Cooperative Extension Service has been given the assignment of organizing Rural Area Development committees in every county in rural America. Farmers Home Administration and Rural Electrification Administration also share in this responsibility.

FHA, through a special staff group, is assigned to establish Rural Area Development panels to supply state and local leaders with technical aid in promoting new enterprises.

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REA, also with a special staff, has the job of stimulating new businesses and other enterprises to create new employment in rural areas.

The results of this action are heartening. There already are Rural Area Development program organizations in 38 states, with local program districts of two or more rural counties organized in 25 states.

The organizational machinery which is being created will enable the Department and those rural areas seeking to participate in the program to blend together new and existing tools in the drive to develop new opportunities for rural areas.

As a result of Congressional action this year in enacting the Area Redevelopment Act proposed by President Kennedy, the Department has been assigned the job of helping rural areas benefit to the maximum under its provisions.

The act provides for Federal loans and grants for public works and industrial development, technical aid, and retraining of workers -- including farmers and farm workers.

These provisions of the act are being funneled smoothly through the Rural Area Development organization. We are selecting rural counties eligible for assistance, reviewing area plans for development and assisting local leaders in developing plans and projects that will takesfull advantage of this new legislation.

There are 487 rural counties eligible to apply for assistance, and some 180 counties already have had long-range economic development programs approved.

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As a new tool in the Department's kit of services and aids for rural area development, the provisions of the Area Redevelopment Act are vitally important. But it is only one new tool. There are many existing programs of the Department which implement and further the Rural Area Development concept.

REA is expanding its loan program to allow rural electric cooperatives to make electrical equipment loans to help their consumers expand or establish industrial plants as a means of increasing employment opportunities in rural areas. A small North Dakota firm already has been able to add new equipment and create new jobs in a farming area under this program.

The Culpeper watershed development is an example of another program being given special emphasis under the RAD concept. Between May and August, President Kennedy sent to Congress for approval the work plans for 54 watershed projects. This is the largest number presented to the Congress in any similar period since the program was authorized in 1954.

And this small watershed job has just begun. We have nearly 13,000 small watersheds across the nation, 8,000 of them requiring action under the program. To date, only 325 have been authorized.

To make Federal help even more effective in the development of rural area resources, President Kennedy has proposed a bold new Water Resources Planning Act which will provide for the maximum development of natural resources through coordinated planning of water and related land resources. It provides for the development of over-all river basin planning and will give the multitude of small watersheds an important role.

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Another key tool in the Department's kit are the various opportunities which can be extended to rural residents in the form of credit. Under the recently enacted farm bill, a broadened and expanded credit program is being made available to a wider range of farmers -- particularly young farmers just getting started.

In addition, as a result of new features made available under the Housing Act of 1961, rural residents living in small communities are eligible along with the farmers for housing loan funds over the next four years to construct, improve or repair homes and related facilities.

Here, then, in brief outline are some of the more important aspects of the Department's approach to the need of rural America for development opportunities. We shall seek to help the local community develop long-range plans, we shall provide technical assistance both during the planning and the execution of the program. We are concerned with the lack of economic opportunity both as it relates to the human resources and the natural resources of rural areas.

We shall strive to the limit of our resources and with the cooperation of the local community to generate the opportunity for employment within the rural areas of the nation.

We shall seek to improve rural housing and to expand and accelerate the growth of industry in rural areas. Local areas with resources which are attractive for recreational purposes will be encouraged to develop these to meet the growing demand for leisure activities. A more adequate level of

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public resources and power development and management will be promoted. Community and other public facilities -- streets, sewage plants, water plants -- will be developed where they are essential to the growth of the area.

The Mountain Run Watershed project which we are dedicating -- and celebrating -- here today shows plainly what local people working in tandem with the Department can accomplish.

It is one means through which the rural areas of the nation can begin to share more equitably in the prosperity of a strong and powerful nation. And it is a means by which rural America can contribute more effectively to the continued growth and prosperity of that nation.

The people of Culpeper have shown that the program can be successful. We shall now move ahead to show the nation that Rural Area Development can help people help themselves.

U. S. Department of Agriculture
Office of the Secretary

AGRICULTURE IS MOVING AGAIN

One of the keenest satisfactions of my office is meeting firsthand the many agricultural groups of our country -- shaking hands with farm people - greeting them face to face -- and enjoying the give and take of talking out our farm problems. So I'm delighted to have the opportunity to attend this meeting of the Burley and Dark Leaf Tobacco Export Association.

And it's good to be meeting here in Louisville where we see much evidence of activity and progress -- people moving forward -- great advances in agriculture and industry -- progress toward better living.

That's what I want to talk about today -- moving ahead -- reversing the downtrend of the past decade -- getting going again in agriculture -- and your part in it.

Moving ahead takes teamwork and we are grateful to Kentucky for helping us build what we think is a good team in the USDA. One of our Assistant Secretaries -- and rendering truly outstanding service -- is Dr. Frank J. Welch who, as you know, was Dean of the School of Agriculture at the University of Kentucky for many years.

Another of our Assistant Secretaries -- also doing a great job -- is Dr. James T. Ralph, likewise formerly associated with the University of Kentucky.

Address by Secretary of Agriculture Orville L. Freeman before Annual Convention of Burley and Dark Leaf Export Assn., Louisville, Kentucky, September 25, 1961, 12:30 p.m., CST.

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We especially appreciate the high caliber of such men as these. They make my job a lot easier. Most important, they make it possible for the Department to serve farmers a lot better.

As members of the tobacco industry, you are naturally most concerned about a specific commodity -- tobacco -- and about a specific part of the tobacco market -- exports. But I feel sure that you are also concerned about the whole tobacco picture and the entire agricultural situation. So I'm going to talk with you largely in broad terms, leaving most of the details on tobacco exports to Bob Tetro, Administrator of our Foreign Agricultural Service.

Tobacco has problems. Any commodity which has allotments as low as half or seven-tenths an acre is certainly not problem-free.

We're intensely interested in helping you solve tobacco's problems -- but we're also interested in tobacco's successes. For it is by building on success -- using the lessons learned from success -- that tobacco farmers, and all farmers, can best move ahead toward a stable and prosperous future.

Tobacco is the "Little Giant" of U. S. agriculture. Here's a commodity that is harvested on only a little more than a million acres -- yet it's a billion dollar plus crop. In terms of cash receipts it ranks fourth as a field crop and ninth among all farm products when you include livestock items. Among all our agricultural exports it stands third, being surpassed only by cotton and wheat.

But what singles tobacco out for even more attention right now is the fact that it's the only one of the basic commodities that has held its own pricewise during the past eight lean years for U. S. farmers.

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Let's look at the record.

In 1952 the average price farmers received for wheat was $2.09 a bushel. In 1960 it was $1.75 -- a drop of 16 percent.

In 1952 farmers got an average of $1.52 for corn; in 1960, $1.00 -- a drop of 34 percent.

The figures for the other basics tell the same story: Cotton prices down 13 percent -- peanuts down 8 percent -- rice down 22 percent.

Now let's look at burley prices -- 50.3 cents per pound in 1952 -- 64.2 cents in 1960 -- a rise of 28 percent.

And while the programs for corn, wheat, and cotton ran up costs totaling billions of dollars, the costs of the tobacco program have been relatively small.

From 1933 to June 1 of this year the realized loss to the government on tobacco price support has been less than 6-1/2 million dollars. The loss on wheat has been over 700 million -- on cotton nearly a billion -- and on corn a whopping one billion, 360 million dollars.

Why has the tobacco program caused no significant loss to the government? Why have tobacco prices resisted the downtrend that was so marked for other commodities? In short, why has tobacco been unique?

We can answer that there are a limited number of buyers for tobacco - consumer demand is relatively inelastic -- and the auction system developed over the years makes possible a system under which each farmer's lot of tobacco is supported.

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But after we've said all this, there's still more to the answer: Tobacco growers recognized the need for supply control -- and they cooperated whole-heartedly in bringing it about. They tailored production to market needs.

In 1955 after burley had had a succession of very big crops burley growers themselves sought legislation that would enable them substantially to reduce their acreage. The Congress provided for a special referendum. And 96 percent of the growers voting approved a cut of 25 percent in all farm allotments over seven-tenths of an acre.

Since then very little burley has come under government loan. On the contrary, substantial sales of loan tobaccos from previous crops have been disposed of through regular channels of trade.

By the beginning of this year the supply-demand situation was such that we were able to make an increase of 6 percent in the current 1961 acreage allotments. And we will give consideration to further increases whenever conditions warrent it. But we shouldn't become too optimistic too soon before the picture is entirely clear.

Growers of fire-cured and dark tobaccos equally demonstrated their willingness to cooperate in realistic programs. They accepted substantial cuts in acreage allotments, and they participated heavily in the acreage reserve of the Soil Bank during 1957 and 1958.

Tobacco growers showed that production adjustment does work -- that farmers do want to cooperate -- that they are willing to make sacrifices today to reap the benefits of a sound program tomorrow.

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For burley, the future demand prospect is optimistic, especially here at home where cigarette output continues to grow.

The outlook for the dark types, unfortunately, may not be so bright. The long-time downward trend of consumption is continuing and demand in world markets is also shrinking.

We are giving careful attention to this problem and are currently studying the prospect of providing additional aid in maintaining and expanding foreign markets through the use of Section 32 funds.

To take full advantage of market possibilities we are seeking to expand tobacco exports through sales for soft currency and barter transactions as well as cooperative market development projects to increase dollar sales.

We are also watching closely developments in the Common Market in Europe.

We wholeheartedly support the principle of the Common Market. It should make for a stronger Free Europe and add to the prosperity of this important segment of the free world. But we want to have reasonable access to the market -- an opportunity for U. S. products to compete on their merits. We do not want to be shut out by discriminatory tariffs.

Last year the Common Market countries bought 136 million pounds of U. S. tobacco -- equal to more than one-fourth of our total tobacco exports. Under Common Market tariff rates now proposed we could lose a large part of our tobacco sales to these countries.

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In Britain and Belgium early this month I had some very constructive meetings with the Common Market commissioners in the interest of more liberal trade policies. We will continue to contend vigorously for a fair share in this and all other markets for our agricultural commodities. And I feel confident that we're going to succeed.

We must remember, however, that if we in agriculture want access to foreign markets, we ourselves must support liberal trade policies. Last year we exported about half of our cotton, wheat, and rice production -- two-fifths of our tallow and grease, close to one-third of our tobacco, and one-fourth of our soybeans and oil.

We want to expand these markets even further. But the United States cannot continue to be the world's greatest exporter unless it is also a big importer. A high level of world trade requires two-way traffic -- with benefits to all participants. It cannot move in only one direction.

I am frankly concerned by signs that the doctrine of "protectionism" is infiltrating into agricultural circles. You also have reason to be troubled by this. The Statesman and the people of the border States and the South have for many years been a strong voice for liberal trade policies. It is important that you continue to make your voice heard -- now and in the future.

Agriculture is advancing toward a bigger, brighter future both at home and abroad. You can sum up what's happened in the past eight months in just four words: AGRICULTURE IS MOVING AGAIN.

The big news is what is happening to farm income this year.

In terms of net income, 1961 will be the best year for agriculture since the time of the Korean conflict.

Gross farm income is rising by nearly $2 billion -- to a record high of $40 billion.

Net farm income will be more than a billion dollars above last year - reaching $12.8 billion and the highest since 1953.

Net income per farm is expected to set a new record of $3,300 -- an increase of over one-fourth above last year.

This improvement didn't "just happen." The law of cause and effect has not been repealed. Farm income is up this year because this Administration acted promptly to get agriculture moving again.

I

One of these actions that helped get agricultural income moving up was the first major legislation passed by the present Congress -- the Emergency Feed Grain Program of 1961.

The Feed Grain Program was necessary because a continuation of ever-mounting surpluses threatened disaster not only to grain producers but to the livestock and poultry industries as well. A program had to be devised that would stop the accumulation of stocks, bring about a reduction in supplies, while maintaining income for farmers and lowering the cost of farm programs over the long pull.

Plenty of people said it couldn't be done. But, despite the short time available after we took office to devise a program, make it understood,

and get it into effect ahead of planting time -- farmers signed up a fifth of all corn acreage in the country, and about a fourth of all grain sorghum acreage.

Here in Kentucky almost 40,000 farmers retired 600,000 acres from corn and grain sorghum production. They signed up 31 percent of their corn acres, and according to the September crop report corn production in Kentucky will be down 30 percent. Payments to Kentucky farmers under this program will be about $14,600,000.

The 1961 growing season has produced near perfect weather in the corn country. Corn yields are up 11 percent over last year -- and last year was a record high. Nevertheless this year's corn crop is estimated at 372 million bushels below 1960.

Without the Feed Grain Program, U. S. corn production in 1961 could have reached 4.2 billion bushels -- 720 million bushels more than is now indicated.

Every bushel removed from production saves taxpayers about $1.11 -- that's what it costs the government per bushel for storage, handling, transportation, and interest charges until that bushel of corn is finally disposed of.

One of the most important benefits of this program is that it proves that production can be adjusted and that abundance can be managed. This is important because production adjustment must be the keystone of any realistic effort to keep U. S. agriculture moving ahead.

From 1953 to 1960, an unremitting campaign was waged to persuade farmers and the whole nation that production adjustment programs just wouldn't work. It was implied that there was something a little demeaning, a little degrading, about accepting price support for participating in programs designed to bring production into line with demand.

Such programs were administered apologetically at the highest level. Sometimes when a referendum was held to decide whether marketing quotes should be in effect, the impression was unmistakable that the preceding Administration would have welcomed defeat of the quotas.

No wonder the adjustment programs had trouble. No wonder the surpluses mounted -- and the costs rose -- and disillusionment spread -- and no wonder the income of farm families relative to the rest of the population fell to the lowest depths of any period since the 1930's.

But through these eight years, there was one program that proved itself again and again -- the tobacco program. Tobacco's example that abundance could be managed encouraged us in planning this year's feed grain program and the feed grain and wheat programs for 1962.

II

A second major factor in the 1961 farm income story is the use of price support to increase farmers' returns. Early this year we raised price support levels on a dozen commodities. Here in Kentucky the increases in support prices, based on indicated production, will result in almost $11 million more income for farmers.

In short, the feed grain payments plus increased income from higher price supports are bringing the farmers of Kentucky a good $25 million more income than they would otherwise have.

Actually cash receipts from farm marketings during the first part of 1961 here in Kentucky have been running 16 percent above last year.

III

A third factor that has helped get agriculture moving again has been a more vigorous use of our abundance in the interests of a healthy America and a free world.

Consistent with President Kennedy's first Executive Order more and better food has been made available to needy families here at home.

To the thin diet of flour, cornmeal, rice, lard, and dried milk, have been added five protein items -- dry beans, meat, dried eggs, peanut butter, and rolled oats. Since January, the program has been expanded to include an additional 2.5 million persons.

A Pilot Food Stamp Program has been launched in eight localities, reaching about 150,000 persons who supplement their food dollar with stamps to buy food directly from retail stores.

The Special School Milk Program and national School Lunch Program have been enlarged through increased appropriations and an expanded purchase program. School districts unable to afford these programs before are now beginning these feeding programs.

Critics of these efforts to put abundance to use may point to a smattering of abuses. Just for the record let me point out that we make the food available -- but each State sets the basic standards for eligibility and administers the program. With over six million persons participating some slip-ups are inevitable.

In other words, the program isn't perfect. But there's an old adage -- the best is the enemy of the good. In other words, if you wait for perfection before acting, you'll never begin.

Actually, the worth of the direct distribution program is being demonstrated week by week.

We are also making agricultural abundance a more potent instrument in the search for a better world -- a world at peace.

Agricultural exports in fiscal 1961 amounted to $4.9 billion, a record high in both value and volume. Exports for the first months of fiscal 1962 were 9 percent larger than a year ago.

To date we have made 40 Food for Peace agreements -- for $1.5 billion worth of our farm products.

Food for Peace shipments in the fiscal year that ended in June were valued at $932 million, about 13 percent more than in the preceding year. That total represented about one-fifth of all our agricultural exports.

By December 31 of this year, we expect to have committed for shipment abroad $5.3 billion worth of food and fiber, more than 2-1/2 times the commitment arranged in 1960.

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Some of these commitments are for up to four years in advance, and will provide a continous use of the nation's abundant farm production.

While we have vigorously begun to use America's agricultural abundance, we have also taken a necessary first step toward systematically meeting actual needs through a study of the world food deficit. A preliminary study is completed, and a country-by-country evaluation is in progress.

The Feed Grain Program, higher price supports, and a more vigorous use of abundance at home and abroad are the major but not the only factors in this year's higher income story. In addition more funds have been made available for farm housing and farm operating loans through the Farmers Home Administration. Rural electrification and telephone loans have been expanded. Steps were taken early this year to encourage grain storage on farms. Advance payments under the reseal program totaled about $25 million.

It should be noted that increases in farm income are felt throughout the entire economy -- in the rural villages and towns -- in the cities and even in the big metropolitan areas which are the source of so many industrial products. An increase of $2 billion in gross income, such as in anticipated this year, results in increased expenditures by farmers of about $400 million for cars, trucks, farm machinery, farm buildings and such items as pesticides, petroleum, and containers. In addition, farmers spend a good deal of their increased income for such consumer items as furniture, electrical appliances, clothing, and other consumer goods. Thus, the farmer's prosperity is intimately related to the level of business nation-wide.

IV.

More income is vitally important to the typical U. S. farmer -- the more so because his economic position and his buying power have been going downhill in the decade just passed. This year he has begun the long climb back to a more equitable position. We want that climb to continue. We expect it will. We are going to do all in our power to help. But if the American farmer is to achieve the prosperity that is his right -- if he is to rise to an economic position comparable to that of other important producers in American society -- we must arrive at a better public understanding of the place of agriculture in our economy and of the farmers' contributions and needs.

Our industry, our high standard of living, our whole national economy, stand on the shoulders of American farmers. Agriculture is the base of our economic pyramid.

Today one hour of farm labor produces 4-1/2 times as much food and fiber as it did in 1910, three times as much as in 1940, and nearly twice as much as in 1950.

If farmers were producing today with the same efficiency as in 1910 we would need about four times as many workers in agriculture as we now have.

Where would we look for the manpower, the inventive genius, and the management to make our cars, mill our steel, build our cities, generate electricity, produce petroleum, mine coal, to float our ships, to fly our planes, and man our service industries, if we today had to pull some 20 million persons out of these endeavors and put them back into farming?

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Our agriculture is progressive. It is effecient, dynamic, immensely productive.

Our farmers and ranchers are providing food and fiber for this nation to an extent without parallel in history, and they are enabling the United States to feed and clothe millions of people elsewhere in this hungry world.

This is a tremendous success story -- and it has brought its reward- but to the consumer of the nation rather than the farmers.

Last year the average farmer had to work anywhere from two to three times as long as the average factory worker to buy food, clothing, appliances, and other products.

Why should it take 14 minutes of farm labor to buy a loaf of bread - compared with 5-1/3 minutes of factory work??

Why should it take 16 minutes of farm labor to buy a quart of milk as against 7 minutes of factory work?

Why should it take 61 hours of farm labor to buy a man's $50 suit -- but less than 22 hours factory work?

On top of all this the farmer has been subjected to a great deal of unjustified criticism -- scolded unfairly as a burden to the taxpayer -- and ridiculous as it seems, even blamed for the high cost of living.

For the past eight months we have used every appropriate means and platform to increase public understanding of farmers' contributions to the American economy and the U.S. standard of living.

We have taken as our text these words of President Kennedy: "Our farmers deserve praise, not condemnation; and their efficiency should be a cause for gratitude, not something for which they are penalized."

The way has been long and the struggle hard, but we think -- and we hope -- that we see signs of a break-through. Here as in other areas agriculture is moving ahead.

As I have traveled around the country talking to many thousands of farm people, I have been impressed with one fact above all: Farmers know that agriculture is on the move and therefore they look to the future with renewed hope and confidence. Income is on the way up. The surpluses are beginning to move out. Abundance is being put to use. The farmer is finding once again that he has a voice in managing his own affairs.

Yes, four words sum it up: AGRICULTURE IS MOVING AGAIN.

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U. S. Department of Agriculture
Office of the Secretary

AGRICULTURE IS MOVING AGAIN

Today I've been having a fine time visiting with the members of the Burley and Dark Leaf Export Association. And now to top off the day I have the enjoyable opportunity of meeting with you of the Kentucky Bankers Association. Let me say that I'm delighted that we were able to arrange this get-together.

I understand that about 97 percent of Kentucky's 350 banks are members of this Association -- and that four out of five are country banks depending to a large degree on agricultural patronage and serving agricultural clients.

Moreover, your current Vice President, Mr. J. D. Brown, our very capable presiding officer is, I understand, not only a banker but the operator of a dairy-tobacco farm.

Finally I'm told that Mr. and Mrs. Brown have two sons at the University of Kentucky's College of Agriculture. Well, we have something in common there because we have in our official family two men who were formerly faculty members of that same College of Agriculture -- Assistant Secretary Frank J. Welch and Assistant Secretary James T. Ralph.

I want to congratulate this Association for its particular efforts to serve agriculture. This is, I believe, the only State bankers association

Address by Secretary of Agriculture Orville L. Freeman before Kentucky Bankers Association, Louisville, Kentucky, September 25, 1961, 3:00 p.m., CST.

in the entire country with a full-time agricultural man on its staff. And I'm sure it has paid off in helping country banks serve farmers better and helping rural people understand more fully the use of credit and other bank services.

I know my farmer friends in Minnesota like to talk over their plans and credit needs with bankers who have a real knowledge of what it takes to run a farm.

Today I want to talk with you about what it takes to get agriculture moving again -- moving toward the prosperity farm people deserve as efficient, hard working, skillful producers of the most basic elements of this or any economy -- food and fiber.

One of the things it takes is adequate credit well adapted to agriculture's needs -- credit wisely provided and wisely used.

Farmers today have an average capital investment, excluding the farm home, of about $36,000. To keep a capital investment of this average size working efficiently requires more than a cash and carry outlook. The bigger the average farmer's investment becomes, the more he needs sound banking credit services.

I am one of those who believe that agriculture owes a great deal to the baning profession for the financial help, counsel, and understanding it has provided in the past. Time and again, bankers have staked their reputations on the ability of farm families to make a go of it in the face of great financial obstacles.

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Farm people appreciate this. They want to continue to depend on commercial banks for many of their credit needs. If we can get agriculture really moving ahead -- really operating as the flexible, efficient, abundance-producing part of the economy farmers want it to be -- your farm credit business will boom.

But to bring this about, there are problems to be solved -- problems centering mainly around the cost-price squeeze, the farm surpluses, and the development of our rural areas.

Let me say just a word about each of these. Between 1952 and 1960 the prices farmers received for their products dropped about one-fifth. Meantime their production expenses went up more than one-sixth -- almost all of the increase coming between 1955 and 1959.

In those four years production expenses rose $4½ billion. In short, farmers had to boost their gross return by over a billion dollars a year just to keep their net income standing still -- and it was standing in a hole at that.

Here in Kentucky production expenses rose from $341 million in 1955 to more than $400 million in 1959. So that farmers here had to boost their gross income by about $15 million a year just to stay even.

Fortunately production expenses have risen at a much slower rate since 1959.

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An increase in gross income therefore now stands to be pretty largely reflected in higher net income. That is why one of the major aims of this Administration is to raise farm gross income this year.

A second set of problems centers around the farm surplus. The technological revolution plus farmers' relatively weak bargaining power have produced a situation in which farmers can each year produce more of some commodities than they can sell at a profit.

Unless programs are developed to help farmers adjust production to market needs, they will be faced with a continuing income squeeze.

The third, and up to recent months, most neglected set of problems centers around the underdeveloped rural areas where millions of people are underemployed and living on very low incomes.

In 1959 about 36 percent of all farm families in the nation had incomes of less than $2,000. And the amount of underemployment among agricultural workers has been estimated at the equivalent of 1,400,000 man-years of unemployment.

This is one of the great remaining frontiers of our nation in our time. Strengthening these areas -- helping their people to become more productive units of society -- can be one of the most rewarding and profitable tasks of this decade.

You know, better than I, the need to rejuvenate such of these areas as are to be found in Kentucky.

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In some places, particularly in hill regions, farms are too small and land too poor to support adequately the families which live upon them. In other areas, agricultural machinery has replaced farm laborers. In general, it takes fewer men today to produce the food and fiber consumed in the United States. In still other rural areas, closed or partially shut-down mines and factories have laid off thousands of rural employees.

Where business is bad, many people get behind in repaying loans, the local bank funds are tied up, all credit gets tight; the very people who can best see the business opportunities of the area and would normally develop these opportunities become powerless to perform their natural function in the economy. On top of this, the areas that have suffered longest from chronic underemployment and poverty receive the first and hardest blows when employment falls off in other places.

We must make a major effort to develop to the fullest the economic opportunities that exist in rural areas. Stimulating agricultural, industrial, and personal development in rural areas will help the entire nation. I invite and urge you of the Kentucky Bankers Association to take a renewed and intensified interest in rural area development.

We are getting ready for a big push in Kentucky. The State Rural Areas Committee is fully organized. Two State specialists are working full time under the Extension Service and seven area specialists are available in various parts of the State. The Farmers Home Administration is prepared and organized to give technical assistance in rural communities. The State Extension Service has put out a manual that will help local communities make

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long-range development plans. Finally, six area meetings have been scheduled, covering the whole State, and several rural development projects are being prepared for presentation at these meetings.

We are moving ahead in rural areas development -- in easing the cost-price squeeze -- and in helping farmers adjust production to needs. In fact, you can sum up what's happened in the past eight months in just four words: AGRICULTURE IS MOVING AGAIN.

The big news is what is happening to farm income this year.

In terms of net income, 1961 will be the best year for agriculture since the time of the Korean conflict.

Gross farm income is rising by nearly $2 billion -- to a record high of $40 billion.

Net farm income will be more than a billion dollars above last year -- reaching $12.8 billion and the highest since 1953.

Net income per farm is expected to set a new record of $3,300 -- an increase of over one-fourth above last year.

This improvement didn't "just happen." The law of cause and effect has not been repealed. Farm income is up this year <u>because this Administration acted promptly to get agriculture moving again</u>.

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I

One of these actions that helped get agricultural income moving up was the first major legislation passed by the present Congress -- the Emergency Feed Grain Program of 1961.

The Feed Grain Program was necessary because a continuation of ever-mounting surpluses threatened disaster not only to grain producers but to the livestock and poultry industries as well. A program had to be devised that would stop the accumulation of stocks, bring about a reduction in supplies, while maintaining income for farmers and lowering the cost of farm programs over the long pull.

Plenty of people said it couldn't be done. But, despite the short time available after we took office to devise a program, make it understood, and get it into effect ahead of planting time -- farmers signed up a fifth of all corn acreage in the country, and about a fourth of all grain sorghum acreage.

Here in Kentucky almost 40,000 farmers retired 600,000 acres from corn and grain sorghum production. They signed up 31 percent of their corn acres, and according to the September crop report corn production in Kentucky will be down 30 percent. Payments to Kentucky farmers under this program will be about 14,600,000 dollars.

The 1961 growing season has produced near perfect weather in the corn country. Corn yields are up 11 percent over last year -- and last year

was a record high. Nevertheless this year's corn crop is estimated at 372 million bushels below 1960.

Without the Feed Grain Program, U.S. corn production in 1961 could have reached 4.2 billion bushels -- 720 million bushels more than is now indicated.

Every bushel removed from production saves taxpayers about $1.11 -- that's what it costs the government per bushel for storage, handling, transportation, and interest charges until that bushel of corn is finally disposed of.

One of the most important benefits of this program is that it proves that production can be adjusted and that abundance can be managed. This is important because production adjustment must be the keystone of any realistic effort to keep U.S. agriculture moving ahead.

From 1953 to 1960, an unremitting campaign was waged to persuade farmers and the whole nation that production adjustment programs just wouldn't work. It was implied that there was something a little demeaning, a little degrading, about accepting price support for participating in programs designed to bring production into line with demand.

Such programs were administered apologetically at the highest level. Sometimes when a referendum was held to decide whether marketing quotas should be in effect, the impression was unmistakable that the preceding Administration would have welcomed defeat of the quotas.

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No wonder the adjustment programs had trouble. No wonder the surpluses mounted -- and the costs rose -- and disillusionment spread -- and no wonder the income of farm families relative to the rest of the population fell to the lowest depths of any period since the 1930's.

But through these eight years, as I told the tobacco association earlier today, there was one program that proved itself again and again -- the tobacco program. Tobacco's example that abundance could be managed encouraged us in planning this year's feed grain program and the feed grain and wheat programs for 1962.

II

A second major factor in the 1961 farm income story is the use of price support to increase farmers' returns. Early this year we raised price support levels on a dozen commodities. Here in Kentucky the increases in support prices, based on indicated production, will result in almost $11 million more income for farmers.

In short, the feed grain payments plus increased income from higher price support are bringing the farmers of Kentucky a good $25 million more income than they would otherwise have.

Actually cash receipts from farm marketings during the first part of 1961 here in Kentucky have been running 16 percent above last year.

III

A third factor that has helped get agriculture moving again has been a more vigorous use of our abundance in the interests of a healthy America and a free world.

Consistent with President Kennedy's first Executive Order more and better food has been made available to needy families here at home.

To the thin diet of flour, cornmeal, rice, lard and dried milk have been added five protein items -- dry beans, meat, dried eggs, peanut butter, and rolled oats. Since January, the program has been expanded to include an additional 2.5 million persons.

A Pilot Food Stamp Program has been launched in eight localities, reaching about 150,000 persons who supplement their food dollar with stamps to buy food directly from retail stores.

The Special School Milk Program and national School Lunch Program have been enlarged through increased appropriations and an expanded purchase program. School districts unable to afford these programs before are now beginning these feeding programs.

Critics of these efforts to put abundance to use may point to a smattering of abuses. Just for the record let me point out that we make the food available -- but each State sets the basic standards for eligibility and administers the program. With over six million persons participating, some slip-ups are inevitable.

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In other words, the program isn't perfect. But there's an old adage -- the best is the enemy of the good. In other words, if you wait for perfection before acting, you'll never begin.

Actually, the worth of the direct distribution program is being demonstrated week by week.

We are also making agricultural abundance a more potent instrument in the search for a better world -- a world at peace.

Agricultural exports in fiscal 1961 amounted to $4.9 billion, a record high in both value and volume. Exports for the first months of fiscal 1962 were 9 percent larger than a year ago.

To date we have made 40 Food for Peace agreements -- for $1.5 billion worth of our farm products.

Food for Peace shipments in the fiscal year that ended in June were valued at $932 million, about 13 percent more than in the preceding year. That total represented about one-fifth of all our agricultural exports.

By December 31 of this year, we expect to have committed for shipment abroad $5.3 billion worth of food and fiber, more than 2-1/2 times the commitment arranged in 1960.

Some of these commitments are for up to four years in advance, and will provide a continuous use of the nation's abundant farm production.

While we have vigorously begun to use America's agricultural abundance, we have also taken a necessary first step toward systematically

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meeting actual meeds through a study of the world food deficit. A preliminary study is completed, and a country-by-country evaluation is in progress.

The Feed Grain Program, higher price supports, and a more vigorous use of abundance at home and abroad are the major but not the only factors in this year's higher income story. In addition more funds have been made available for farm housing and farm operating loans through the Farmers Home Administration. Rural electrification and telephone loans have been expanded. Steps were taken early this year to encourage grain storage on farms. Advance payments under the reseal program totaled about $25 million.

It should be noted that increases in farm income are felt throughout the entire economy -- in the rural villages and towns -- in the cities and even in the big metropolitan areas which are the source of so many industrial products. An increase of $2 billion in gross income, such as is anticipated this year, results in increased expenditures by farmers of about $400 million for cars, trucks, farm machinery, farm buildings and such items as pesticides, petroleum, and containers. In addition, farmers spend a good deal of their increased gross income for such consumer items as furniture, electrical appliances, clothing, and other consumer goods. Thus, the farmer's prosperity is intimately related to the level of business nation-wide.

IV

More income is vitally important to the typical U.S. farmer -- the more so because his economic position and his buying power have been going downhill in the decade just passed. This year he has begun the long climb back to a more equitable position. We want that climb to continue. We

expect it will. We are going to do all in our power to help. But if the American farmer is to achieve the prosperity that is his right -- if he is to rise to an economic position comparable to that of other important producers in American society -- we must arrive at a better public understanding of the place of agriculture in our economy and of the farmers' contributions and needs.

Our industry, our high standard of living, our whole national economy, stand on the shoulders of American farmers. Agriculture is the base of our economic pyramid.

Today one hour of farm labor produces 4-1/2 times as much food and fiber as it did in 1910, three times as much as in 1940, and nearly twice as much as in 1950.

If farmers were producing today with the same efficiency as in 1910 we would need about four times as many workers in agriculture as we now have.

Where would we look for the manpower, the inventive genius, and the management to make our cars, mill our steel, build our cities, generate electricity, produce petroleum, mine coal, to float our ships, to fly our planes, and man our service industries, if we today had to pull some 20 million persons out of these endeavors and put them back into farming?

Our agriculture is progressive. It is efficient, dynamic, immensely productive.

Our farmers and ranchers are providing food and fiber for this nation to an extent without parallel in history, and they are enabling the United States to feed and clothe millions of people elsewhere in this hungry world.

This is a tremendous success story -- and it has brought its reward -- but to the consumers of the nation rather than the farmers.

Last year the average farmer had to work anywhere from two to three times as long as the average factory worker to buy food, clothing, appliances, and other products.

Why should it take 14 minutes of farm labor to buy a loaf of bread -- compared with 5-1/3 minutes of factory work?

Why should it take 16 minutes of farm labor to buy a quart of milk as against 7 minutes of factory work?

Why should it take 61 hours of farm labor to buy a man's $50 suit -- but less than 22 hours factory work?

On top of all this the farmer has been subjected to a great deal of unjustified criticism -- scolded unfairly as a burden to the taxpayer -- and ridiculous as it seems, even blamed for the high cost of living.

For the past eight months we have used every appropriate means and platform to increase public understanding of farmers' contributions to the American economy and the U.S. standard of living.

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We have taken as our text these words of President Kennedy: "Our farmers deserve praise, not condemnation; and their efficiency should be a cause for gratitude, not something for which they are penalized."

The way has been long and the struggle hard, but we think -- and we hope -- that we see signs of a breakthrough. Here as in other areas agriculture is moving ahead. As I have traveled around the country talking to many thousands of farm people, I have been impressed with one fact above all: Farmers know that agriculture is on the move and therefore they look to the future with renewed hope and confidence. Income is on the way up. The surpluses are beginning to move out. Abundance is being put to use. The farmer is finding once again that he has a voice in managing his own affairs.

Yes, four words sum it up: AGRICULTURE IS MOVING AGAIN.

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U. S. Department of Agriculture
Office of the Secretary

We are here to mark the 50th Anniversary of a law -- the Weeks law -- to celebrate forestry progress under that law and consider how this progress affects our present and our future. This meeting, I am glad to know, is sponsored by the North Carolina Forestry Association which is also in its 50th year. To the Association -- my heartiest congratulations and my best wishes for even greater success in a field vital to the country's welfare.

This observance highlights the fact that forests and their products have helped to build this great Nation from the day colonization began. It is apparent that forests will continue to play a vital role.

Just as forest utilization was of early origin, so also was the principle of forest conservation. Most early day conservation measures were regulatory. To be sure, there were some sporadic attempts at forest management and research in the early days, yet it was historically correct for Gifford Pinchot to remark that in 1891, just 70 years ago, not one acre of land in the United States was under scientific forestry management.

In those early years a number of attempts were made to introduce and pass conservation legislation to establish forest reservations, other than those which had been created out of the public domain.

But it was not until 1911 when John Weeks was finally successful and legislation bearing his name was passed. One can say with accuracy that

Remarks of Secretary of Agriculture Orville L. Freeman at observance of the Weeks Law 50th Anniversary, Asheville, N. C., September 26, 1961, 1:00 p.m., (EST).

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it represented a culmination of the interest first expressed in western North Carolina some 30 years earlier.

The Weeks law established some national policies. It made possible purchase by the Federal Government of land to be added to the National Forest System. It provided for cooperation between the States and the Federal Government in the protection of forests from damage or destruction by fire.

What has happened during the 50 years since that law was enacted? Some 20 million acres of land have been purchased and included in the National Forest System. There are, as you of course know, more than 100 National Forests comprising some 160 million acres which were created out of the public domain land of the West. But I am talking now about the 48 National Forests lying east of the Great Plains -- National Forests that we, the American people, bought under the authority of John Weeks' law. A wide variety of situations characterizes these National Forests for they are distributed from Maine to Texas and from Minnesota to Puerto Rico. (Four are in North Carolina -- the Pisgah, Nantahela, Uwharrie, and Croatan). Varied though these public estates are with respect to physical characteristics, altitude, latitude, plant and animal life, they are alike in one respect. They serve the people well. Trees have been planted on more that 2 million of these purchased acres. Timber improvement measures have been applied on large areas and many miles of roads have been built giving access to recreation and other resources. Recreation facilities have been developed to accommodate millions of visitors. Research and demonstration areas have been established in all aspects of forest management. Wildlife habitat improvement mersures applied

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on thousands of acres have materially improved hunting and fishing. Forest fires, insect epidemics, and tree diseases are being curbed.

The intensive protection and management given these properties is reflected in abundant production of resources and benefits. Their carefully managed slopes provide water for many communities, for hydroelectric power, and for rapidly expanding recreational use.

The forest fire cooperation feature of the Weeks law and later legislation which expanded this provision (the Clarke-McNary law of 1924) have produced equally great benefits. The number of States participating in this cooperative program has increased from 11 in 1912 to 48. The area of State and privately-owned forest lands accorded systematic fire protection has increased from 61 million acres to more than 400 million. Fire losses and damage have been materially reduced.

Of even deeper significance, the fire cooperation feature of the Weeks law established a principle, one which has been materially amplified in the conservation field and applied to numerous natural resources. Cooperation involving the States, the Federal Government, and individuals, is now, through the media of additional legislative measures, applied to tree planting, to woodland management, to primary processing of forest products. That principle of cooperation has been extended to soil and water conservation, to farm management, and to other features in this field of natural resources conservation -- taking care of the soil and of the products, resources, benefits, and values it yields.

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John Weeks and his colleagues visualized astonishingly well the benefits that would accrue from this legislation in terms of improved timber stands protected from fire and logging excesses and streams running steadily, clear and clean. These, in themselves, were lusty offspring worth every bit of the protection and care they have been given. But there are other elements of Multiple Use -- other important offspring -- that have come to share with timber and water a proper place here in North Carolina. It will intrigue you as it does me to realize that John Weeks, with all his foresight, couldn't possibly have visualized the growing importance of wildlife and recreation in the life of this State and of the Nation. Here are extra dividends, dividends that may even outweigh -- in value and significance, the other resources and their use as the years and our population continue to crowd us.

Let me spell it out. One of the current vogues is analyzing what is happening to the population of America. The soaring 60's and the year 2000 are popular subjects, but I wonder if most of us really understand the staggering impact the future growth of our people will have upon the natural resources of this country.

Since I began these remarks the population of the United States has increased by about 100 persons. This country has 8,000 more people than it had yesterday at this same time. If present trends in growth continue, we will need to provide for more than twice as many people in the next 40 years as we do now. This tremendous increase in population can only mean that there will be greatly increased needs for natural resources, particularly wildlife and recreation.

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I ask you to remember this: The area of land on which these resources can be produced will not increase. As a matter of fact, that area is getting smaller and will continue to shrink. More and bigger highways, urban expansion, housing developments, airports, and other physical structures made necessary by our ever-increasing population are taking land out of resource production at rates estimated to exceed 1 million acres per year.

But, enough for statistics although they need recounting to set the scene for our future needs. The most important thing I have to say to you today is what the National Forests can offer the people of North Carolina and all Americans in the years ahead.

I don't have to tell you what a tremendous attraction these public forests in North Carolina provide for you who live nearby and for your visitors from every other State in the Nation. The National Forests are a powerful magnet pulling, in ever-increasing numbers, hunters and fisherman, picnickers, campers, hikers, and other outdoor enthusiasts of every kind. Certainly you must realize that here is a tremendous potential for a business opportunity in wildlife and recreation that has few equals throughout the country.

And here we must follow through after 50 years of noteworthy achievement. In the light of present-day demands, we are going to move forward in every field of resource development including wildlife and recreation.

Specifically, here is what the Department's Forest Service plans, in these two fields, for the National Forests in North Carolina during the next ten years:

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Working with the North Carolina Wildlife Resource Commission we plan - through stream improvement and stocking - to make fishing better on 250 miles of trout streams; to improve the hunting opportunities on 100,000 acres by plantings of food and cover. To further help the hunter, we are going to build 100 miles of special access trails.

To serve all recreationists better we plan to construct 3,500 new units for family picnicking and camping, complete with fireplaces, tables and other necessary facilities.

There are some 30,000 acres of land that have outstanding scenic values. These will be set aside as special attractions for the forest visitors.

These plans impress me and I am sure they impress you. But as of this morning I have added a major project -- one that might well become a leading attraction in this part of the Nation.

This morning with Forest Service Chief Dick McArdle I had the pleasure of seeing an area that I feel has great national historical value. I am referring to the site of the first forestry school in this country in the beautiful Pink Beds.

Here, over 60 years ago forestry education had its start in this country. Here, scientific forestry was first applied on an appreciable scale under the direction of Gifford Pinchot. A portion of Biltmore Forest became part of Pisgah National Forest -- the first National Forest unit established under the terms of the Weeks law. Near here is the first tract of land purchased under the authority of that law.

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From this small beginning the professions of forestry and conservatio and the concept of good forest land management has taken hold across the Natio

These events of great historic significance should not be lost. Therefore, I am directing the Forest Service to develop plans for a Cradle of American Forestry museum and Visitor Information Center at the Pink Beds on State Highway 276. I know the American people will expect a type of development commensurate with the importance of this area and the things that happened here over 60 years ago, I intend to see that this comes about.

These developments and goals for the National Forests in North Carolina will serve to keep your State in the forefront of forestry progress in America. And, in view of a very special event which occurred just last Thursday, no better time nor place could have been devised for what I am now about to tell you.

As I was preparing for this visit with you, the President sent to the Congress a new Development Program for the National Forests -- for all National Forests. This action confirms the President's determination, as stated in his message on Natural Resources and Agriculture to the Congress earlier this year, that the Nation's forest resources will be developed to meet the present and future needs of America.

I am sure that you will share my pleasure in knowing that -- with hoped-for Congressional approval -- we will be able to move forward on these National Forests fronts throughout the country, not only here in North Carolina, but everywhere else:

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1. To broaden and intensify recreation resource management.

2. To accelerate the harvesting and management of the timber resource.

3. To make the necessary adjustment in our road and trail program to provide the multiple-purpose roads we need.

4. To acquire needed tracts within National Forest boundaries, especially those having recreational values.

To be more specific, this program will mean:

*28,000 new campgrounds and picnic sites, and the development of 4,000 other recreation sites including swimming, boating, winter sports, and public service sites.

*Improvement of 1.5 million acres of game range, 7,000 miles of stream, 56,000 acres of lake area. The program calls for the development of 2,000 wildlife watering facilities, 400,000 acres of wildlife openings, food patches and game ways.

*Establish erosion control and stabilization on 1.3 million acres, 22,000 miles of gullies and roads while constructing 570 pollution control and flood prevention projects.

*Acquisition of 500,000 acres of land essential for recreation development, use and access, including protection of outstanding scenic areas and wilderness.

*Increase forest fire protection to approximately two times the present level, including construction of 11,000 miles of firebreaks.

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*Construction of 79,400 miles of multiple-use purpose roads and 8,000 miles of trails.

These are only a part of the overall ten-year program for the nation's forests, but they do indicate the size of the job we are willing to undertake. I believe it answers the question which has concerned each of us as to whether the National Forests are going to produce their full share of the nation's needs for timber, water, wildlife, forage, -- and by no means last or least -- outdoor recreation.

Now we have come full circle -- from yesterday, to today, and beyond. It has been a pleasure for me to take part in this celebration. If we build as well for the future as John Weeks and his contemporaries built for our present, we will indeed have served well.

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U. S. Department of Agriculture
Office of the Secretary

Since becoming Secretary nothing has disturbed me more than the depth of the public's misunderstanding of agriculture, its relation to the well being, the growth, and even to the security of the United States. Not all of this by any means, but some of it, at least is attributable to the attitude of news and mass communications media towards events and shifting influences in the agricultural sector of our society. This attitude seems to be based on the assumption that the city news consumer couldn't care less about anything that's happening down on the farm.

If we were still in the era when the function of reporting was rather rigidly limited to conveying the bare facts about events, I might not disagree with that assumption. But we are long past that era in American journalism. We are well into the era of the interpretive report. The accepted function of journalism today is not merely to convey the facts, but to help the public to evaluate and comprehend the forces which are shaping the lives of people and the destinies of nations in this complex, swiftly changing world of 1961. Journalism has taken on a new dimension -- and with it a new order of responsibility to examine and assess not only the sensational, not only the top story of the day, not only the clearly visible forces in the fascinating areas of national and international political action, but the less vivid, the more subtle, the somewhat slower forces that are just as surely -- and perhaps even more profoundly -- affecting the society in which we live and the world of which it is a part.

Address by Secretary of Agriculture Orville L. Freeman at the 16th annual convention of the Radio Television News Directors Association, Statler-Hilton Hotel, Washington, D. C., September 29, 1961, 4:00 p.m. (EDT)

And I suggest to you, quite candidly, that one of the vital and dramatic stories of our time -- one that touches the life of every man and woman in America -- yes, and in the world -- the story of American agriculture -- seems to have escaped your notice. It is crying for your attention, pleading for your skill in translating its meaning and import into terms that will give it the perspective and the impact it deserves. The significance of that story is far too little understood by millions of Americans whose personal lives are deeply and permanently affected by it even though their contact with the soil is insulated by layers of asphalt and concrete.

This year American farmers produced a bumper crop of corn. The average yield per acre went up by a fantastic six bushels per acre. About half of this increase was due to extraordinarily fine weather; but the other half -- three bushels per acre -- was due to the advanced technology and skill of the American producer. This story was rather meagerly handled as routine news, broadcast mainly on farm programs. But so far as I know, no one has yet bothered to explore its implications -- the meaning for all Americans of this phenomenal demonstration of productive capacity -- down on the farm.

Is it not of significant interest to every American that if the same thing had happened in the Soviet Union, or in Red China, headlines would have screamed joyfully from Kiev to Vladivostok -- and the story behind the story -- the drama of science and skill that produced such a miracle in yield would literally have filled the air from the Black to the Bering Sea?

I do not suggest that an increase in the corn yield on American farms is news. We are long since accustomed to such things from American agriculture -- we take them pretty much for granted. What I do suggest is that this single fact challenged American journalism -- and particularly the new journalism of the air -- to go after the news behind the news -- to interpret what this single fact reveals.

And what does it reveal? What is the deeper significance of the astonishing boost in the acre-yield of corn this year? I think it is the manifestation of a dramatic, sweeping technological revolution in American agriculture that affects our society at its very roots and our nation in almost every aspect of its life.

Is it a matter of immediate significance to every citizen -- or only to farmers -- that this technological revolution in American agriculture has given us a food-producing capacity that may prove to be the most potent of all weapons of cold war and the most effective of all deterrents to hot war? If we have indeed reached a stalemate in creating the weapons of destruction, we still hold an immense advantage in the crucial area of food production -- an advantage that the men elsewhere who could push the fateful button may well consider to be decisive.

Is it not without meaning for all our citizens that the productive capacity of our farms, the skill of our farmers, enables us to combat communist expansionism throughout the world with the telling -- perhaps the most telling weapon -- of food for hungry millions?

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Maybe -- as it is now fashionable to assert -- the primary cold-war battleground with communism is in the minds and the leadership of frustrated intellectuals in the emerging nations of the world. But in the long pull -- and it may be a very long pull indeed -- I am inclined to the idea that the friendship of these new nations will go to the side that offers the most to the mostest in their critical period of greatest need -- and for the billion or so hunger-ridden people of the less-developed world, food, I daresay, is the "most."

Is it of personal significance to every American that in this time of international tension and uncertainty we have an unequalled abundance of food -- and an unmatched capacity to produce as much more as we may need?

Is it not important -- and comforting -- that we are now deploying our abundant supplies of basic foods to strategic locations throughout the country where they can be of immediate succor to our people should the ultimate disaster strike? We have reached the point, it seems to me, at which it may be appropriate to squelch the horrendous image of "surpluses" that has for so long fascinated our journalism and dominated the reporting of events on the agricultural scene, and to substitute the more reassuring and accurate image of stockpiles of the essential wherewithal of human survival.

Is there not immediate, personal meaning for the American consumer in the fact that our agriculture provides our households with better food at a lower real cost than in any other country of the world? The technological revolution in the limbo of "farm news" reaches out in this sense to touch every dinner table in the land -- and there are few points of greater interest to the average American family than that. Farm productivity has put food on our tables for

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less of the average family's income -- just 20 percent -- than ever before. It has made food the biggest bargain on the cost of living index, but I suspect that not one in 50 housewives knows it.

Is there significance for American industry and labor -- all of it -- in the fact that farm families constitute a $40 billion a year market for its products -- everything from nylon stockings to tractor tires, TVs to tea-cups? Is not a depression in farm income -- and during the last 10 years, farm prices have declined 26 percent -- a matter of concern to a worker in the steel mills of Pittsburgh and a Board of Directors in Detroit?

I ask you, again with friendly candor, whether the reporting of the remarkable story of American agriculture does not up-play the obvious and down-play the significant. We seem to be preoccupied with the obvious fact that American farmers are subsidized -- as indeed they are -- and with the equally obvious fact that our agriculture has produced excess supplies of some commodities -- as indeed it has. But the new journalism has added emphasis to the "why" in the classic "who, what, where, when, why,"and the significant, the dramatic, the consequential story of American agriculture lies in the answer to the question of <u>why</u> farmers are subsidized and <u>why</u> production exceeds our needs. Here is a fertile field for interpretive reporting -- for evaluation and assessment, based on careful probing for facts and sound understanding of the economic and social changes that make up the real drama, the news behind the news, in the story of agriculture in America today. I commend this to your professional attention, hopefully.

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U. S. Department of Agriculture
Office of the Secretary

I want to talk today about HOPE -- which, I think, is the most essential element in agriculture. The farmer is the original hopeful man. He plants in hope ... cultivates in hope ... harvests in hope...Without hope, it's pretty hard to farm ... and pretty hard to live.

It is especially sad, therefore, that for several years the family farmer was fed a daily diet of hopelessness. His demonstrated ability to protect our nation from hunger -- in peace and war -- was rewarded with misunderstanding and economic distress. Greater success often brought greater distress.

To make matters worse, the family farmer was then told that if he couldn't make a decent living under those circumstances -- he could get out. He should become efficient, he was warned, or uproot his family and head for the city -- where, in the words of a popular song, only the cement grows.

Efficient he should become. And the more efficient he became -- the more he fell behind in relation to the economic position of other groups.

Farmers have tripled their output per man hour since 1940 -- yet this increase in efficiency has been accompanied by a steadily declining income

Remarks of Secretary of Agriculture Orville L. Freeman at a district-wide meeting of the 1st District of Georgia, Claxton, Georgia, September 30, 1961, at 12:00 noon (EST).

Output per man hour on farms has been rising almost three times as fast as it has in industry. The farmer's buying power, however, has declined to the point where one hour's work will earn only a third as much as most other Americans. Yet he has to pay the same price for the same food, clothing and other necessities for his family.

The farmer has raised his productivity to the point where he was able in 1960 to feed himself and 25 others, compared with himself and about 10 others in 1940, and himself and about 14 others in 1950. Yet his economic position has kept slipping, and in 1960 he was working for an average of 82 cents an hour, compared with $2.29 in industry.

The primary beneficiary of the rapid increase in production efficiency has not been the farmer, rather the benefits have gone largely to others who are not farmers. So it's apparent that efficiency alone isn't the answer -- increased efficiency either must be tied with a reasonable means of adjusting production or with a way to increase the food capacity of the human stomach.

Finally, on top of all this the farmer has been subjected to a great deal of unjustified criticism. He has been scolded unfairly as a burden to the taxpayer -- and blamed unfairly for the high cost of living. This latter accusation has a special irony in a land that has never known famine and where food is really a bigger bargain than ever in history.

Truly, a nation that can afford to complain about abundance -- must be rich indeed.

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If I can sum up my feelings about all this -- as we stand on the threshold of another harvest here in America -- I would do it this way. I believe that in agriculture we have turned the corner toward hope -- that we have moved around to the side of progress. Much still needs to be done -- but I believe we have left hopelessness behind. There are several reasons for my belief:

First, we have a President who is concerned, informed and gives leadership.

Second, we have seen and are seeing a substantial rise in farm income throughout the nation. Gross income is expected to reach a record of almost $40 billion,while net income likely will reach nearly $13 billion. We have proved that farmer income can be affected in a positive way through enlightened public policy in the field of agriculture.

Third, we have seen evidence of farmers' ability to work together successfully in adjustment programs ... programs intended to bring supply and demand into a better balance for the ultimate benefit of farmers, taxpayers and consumers.

Fourth, we have seen the beginning, at least, of a new understanding of the farmer's role in our economy. A new and much more accurate image of the farmer is being projected into the public mind.

In short, we have made the turn and started upward. This is a matter of the greatest pride to me -- and I know it is to President Kennedy as well.

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The things we have been able to accomplish in agriculture in the past eight months are due in large part to the leadership of President Kennedy. The first executive order in this Administration was related to agriculture -- an increase in food donations to the needy and the inclusion of additional foods.

The President personally ordered the changes in the farmer-committee system that have resulted in such an improvement in committee morale and effectiveness. His support had a great deal to do with the development and approval of the Feed Grain Program and other legislative proposals.

Many of you will remember the President's special farm message in which he said:

> "American agricultural abundance can be forged into both a significant instrument of foreign policy and a weapon against domestic hardship and hunger. It is no less our purpose to insure that the farm family that produced this wealth will have a parity in income and equality in opportunity with urban families -- for the family farm should be protected and preserved as a basic American institution."

The President's interest in agriculture is unflagging, and his dedication to the principles enunciated in that special message to Congress are a guiding signal for all of us who are working to improve the farmer's lot.

At the time this Administration came into office, the incomes of farm families had fallen lower compared with those of non-farm families than at any

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time since the 1930's. Prompt and decisive action was called for -- and prompt and decisive action was forthcoming.

Within the week of the President's inaugural, work had begun on the 1961 Feed Grain Program. Within a few weeks, announcements had been made revising upward the price support rates for a number of important commodities. Price support levels were raised for 1961-crop cotton, rice, peanuts and dairy products. And in the case of flue-cured tobacco, grade loan rates were increased by an average of 2.4 cents a pound.

We have been estimating that this series of actions alone -- the Feed Grain Program and the raising of price supports -- would have the effect of boosting the net incomes of farmers this year by a billion dollars. In the first half of this year, realized net farm income was at an annual rate of $12.6 billion -- or 12 percent above the first half of 1960.

Here in Georgia it doesn't seem at all unreasonable to expect an increase of some 25 million dollars in net farm income in this state -- which would bring total net farm income up to around 295 million dollars.

Consider cotton for a moment.

This administration came into office with a commitment to raise the income of cotton farmers. A month after taking office we announced a new minimum price support level reflecting 82 percent of parity. This is quite a bit higher

than the support rate proposed by the former Secretary of Agriculture and written into the 1962 budget of that administration.

That proposal would have dropped the support price for cotton to 70 percent of parity computed according to the 1961 law. If price supports had been set at that level for the 1961 crop, farmers in Georgia, and elsewhere, could expect to get $25 a bale less than they will receive under the rate established by the present administration.

Based on the Georgia cotton crop outlook of 500,000 bales this year -- that is a difference of over 12.5 million dollars.

In the case of peanuts, this administration raised the minimum national average support price to a level reflecting 85 percent of parity -- and at the same time removed the $9 deduction that had been applied to the previous crop for inspection, grower association expenses and monthly storage.

These actions have the effect of increasing the net advance to producers by $28.76 a ton above last year -- and $35 a ton above the level suggested by the previous administration and written into its budget for this fiscal year. On the basis of the September Crop Report, this $35 a ton would mean a difference of over almost 10 million dollars to Georgia peanut growers this year.

In the case of flue-cured tobacco, this administration's revision of grade loan rates has been followed by record prices at the auctions this season. This action -- increasing grade loan rates an average of 2.4 cents -- was taken in order to maintain the average support level of 55.5 cents a pound stabilized

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by Congress in February of last year. With the changes in demand, varieties and cultural practices that had taken place, the old grade loan rates no longer reflected the required level of support.

This higher grade-loan rate, coupled with improved quality for the crop, has resulted in auction prices this summer that are running an average of more than 4 cents a pound higher than last year -- with demand continuing extremely good.

Grower income from the 1961 crop, based on present market indications, will be the largest return ever received for flue-cured tobacco. The 1961 flue-cured crop is estimated at about 1,260 million pounds. Based on that production, the rise in prices this year figures to mean more than 50 million dollars to growers in the flue-cured belt.

As you know, the major problems that exist at the present time, so far as oversupply is concerned, are in feed grains and wheat. With the help of the Congress, and the farmers of America, we are taking action to do something about these commodities. The 1961 Feed Grain Program was the first of these actions, and within the past few weeks Congress has extended that program through 1962, and America's wheat farmers have voted in a referendum to put into effect the Wheat Stabilization Program based on the same principle.

When this administration came into office, time was already short -- so far as doing anything about feed grains was concerned. We had only a few weeks to devise a program, make it understood, and get it into effect ahead of planting time for corn and grain sorghums. Nevertheless, farmers signed up a fifth of all corn acreage in the country, and about a fourth of all grain sorghum acreage.

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It is apparent now that -- with a program of no management, U. S. corn production in 1961 could have been expected to reach a record 4.2 billion bushels under the present conditions of near-perfect growing weather. Instead, the 1961 corn crop under the Feed Grain Program is expected to be about 720 million bushels lower than that.

The Department's crop report for September indicated that corn growers will produce about 3.5 billion bushels for grain, or some 372 million bushels under 1960 production.

It's important to remember that every bushel removed from production will save taxpayers about $1.10 for storage, handling, transportation and interest charges which would be paid out by the Department over the period it would normally have to carry the grain until final disposition.

The 1961 growing season has produced near-perfect weather in the major corn areas. This has actually given us a tremendous boost in our effort to increase farmer income -- while at the same time the Feed Grain Program will enable us to reduce Government inventories.

Evidence of the effect of weather is reflected in the soybean crop, too. The trend in soybean acreage has been exactly the reverse of corn -- soybean acreage increased 3-1/2 million acres this year. The indicated production of soybeans increased 5 percent during the month of August. The average acre yield of soybeans is expected to be 3 bushels an acre above last year. This can only be attributed to the remarkably good crop weather.

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High fertilizer use this year is a continuation of the trend -- which has been a dramatic increase over the past few years. Between 1954 and 1959, nitrogen use per acre increased two-thirds, while phosphorus was up 50 percent and potash up more than a fourth. This year, overall use of fertilizer is actually down.

There is another area that offers challenges ahead for that spirit of cooperation. I refer to international trade, which I believe is of special interest to you farmers in the Southeast who have historically depended on exports for a large share of your market. Last year, 49 percent of the cotton produced in this country was exported. Nearly 30 percent of the tobacco crop moved in export trade.

So we've seen -- in the Feed Grain Program -- producers working together, on a nationwide basis, to bring under reasonable control the production of corn and grain sorghums.

Obviously, if we can further expand the volume of this trade, it will be of major benefit to the cotton and tobacco farmers of Georgia. As one step towards this goal, I went a few weeks ago to Britain and Belgium. In Brussels, I has some very constructive meetings with the Common Market commissioners -- in the interest of more liberal trade policies. I feel that we made some good progress.

Returning to my own country after this extremely brief sojourn, I am impressed with the need to keep these liberal trade principles always before us. If we are to talk to European leaders about liberal trade -- we must remember always that trade is not a one-way street.

We have our export markets -- we also have a large flow of agricultural products coming in. In general, this is a good thing. We should never fall into the trap of thinking that exports are automatically good and that imports are automatically bad.

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Two-way trade carried out on an economically sound basis, in which the principle of comparative advantage is observed, can be a good thing for all concerned. Its importance to agriculture can be better understood when we realize that farm production moving annually in foreign trade amounts to 14 percent of the total cash receipts from farm marketings, as compared to only 4 percent of the nation's industrial output.

You might think of it in these terms: The value of farm commodities moving in export during fiscal 1960-61 equalled the combined cash receipts from farm marketings in North and South Carolina, Tennessee, Georgia, Kentucky, West Virginia and Ohio.

I mentioned in the beginning of my talk that we are beginning to see some improvement in the public attitude toward farmers and farming. But there is still a vast gap where there should be understanding -- and all of us working in the field of agriculture have an obligation to do everything we can to bridge that gap.

There is no single fact that I have learned as Secretary of Agriculture that has surprised and concerned me more than the vast depth of misunderstanding that prevails with regard to farming.

But there is hope here, too. Here and there ... if you watch carefully ... you can begin to see a glimmer of understanding. Here and there .. an urban magazine will begin to find comfort in the abundance that our farmers have created and provided to consumers at lower real cost than ever. Here and there ... a daily newspaper will tumble to the fact that American families must spend only a fifth of their disposable income for food while in Western Europe that proportion ranges between 30 and 45 percent ... and in Russia it is more

like 60 percent. The education of our urban friends is a slow process ... but even here I believe we are justified in finding hope ahead.

Hope is essential in the makeup of a farmer ... for too many years, there hasn't been enough to go around. But as we come to harvest once again ... in 1961 ... I believe we are turing the corner toward hope. For myself, I promise to do everything I can ... to keep us moving ahead.

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USDA 3206-61

U. S. Department of Agriculture
Office of the Secretary

USDA and the UGF

A student of American government can learn, without too much difficulty, how our government is organized. We have villages, towns, cities, precincts and wards within cities; counties or parishes within our States, and finally, our Federal structure.

But there is still another subdivision of public life and effort in the United States that has a very special meaning for the American way of life. That is the "community."

Community activities, appropriately, cut across many other lines of governmental jurisdiction for they are at once broader and yet more personal.

It is significant that in this free land of ours so many of the health, welfare and recreation programs are community sponsored and supported by voluntary giving.

Voluntary giving is a typical American custom. In the pioneer communities, people joined to build and equip a cabin for the newly married couple. They got together to harvest a crop or to build a barn. And when tragedy of fire, flood, tornado, or illness hit a family, the community always came forward with help for their unfortunate neighbors.

This tradition has carried forward.

Remarks by Secretary of Agriculture Orville L. Freeman at the USDA United Givers Fund Rally, Jefferson Auditorium, Washington, D.C., October 3, 1961, 11:00 a.m., EDT.

We have a great reputation as good citizens in the Department of Agriculture. Here and in thousands of communities the country over, Department employees are known as leaders and workers in civic and community activities outside their official responsibilities.

I am proud of that reputation. It comes in part because we respond promptly and generously when these agencies who do humanitarian work make known their needs in these annual fund drives.

Last year, we not only met our goal; we surpassed it. I hope we will do that again this year, using the goal merely as a basis for determining our minimum responsibility, but going on beyond it to reflect our community concern and responsibility in a warm outpouring of help for neighbors whose needs are greater than our own.

President Kennedy's famous inauguration words apply so well in this instance, as in many other aspects of citizenship. "Ask not what your country can do for you -- ask what you can do for your country."

In making your pledges, let that be a criterion: "What can I do, in this manner, for my community?"

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As a father and homeowner, I am fully aware of the many demands that are made on us that involve bites out of our income. If it isn't the children's education, it is a tax bill. If it isn't a worn-out auto that must be replaced, it is a doctor's bill -- or both. So we are prone to shove back and cut down on contributions to community needs which are presented on a voluntary basis.

But I urge you to stop and think, for a moment, what you would do if you met up with just a few of the human problems that UGF handles each day. If you were personally confronted with these cases of great need, your concern would not be whether to help, but how your limited resources could be stretched to meet the multiplicity of needs.

UGF provides the answer to this dilemma. They take our dollars and combine them with others to provide the operating funds required to meet a broad range of human needs, which individually we could not hope to meet.

But the success of UGF and its agencies depends on whether we pledge generously and pay promptly on those pledges. When they fail, it is often because we do not give our fair share -- or fail to give at all.

The goal for the Department of Agriculture is developed in relation to our size, to the total need of the UGF agencies and to many other units within the community who also will provide support.

But today with the massive problems engendered by the size of our cities, this type of community service has had to be better organized. This is why the United Givers Fund has come into being.

It supports the 148 agencies who will put our contributions to work, and each year we in the Department of Agriculture are asked to join other citizens of the community in pooling our help to meet common responsibilities.

The United Givers Fund has a slogan, "Be glad you can give the United way." This thought I endorse, for "united" giving, as we have seen it operate here and elsewhere in the country, accomplishes three major goals:

First, it eliminates duplication of effort and annoyance of many different, separate campaigns. Many of us have experienced the problems connected with unorganized, duplicating community fund drives. Having a United Givers Fund saves time for us here in the Department, and makes the job easier for hundreds of volunteers throughout the community.

Second, it allows these volunteer workers, many of whom are people dedicated to humanitarian service, the time and energy to perform other more direct types of community services besides collecting money.

Third, this organized program actually raises more money for the participating agencies than each could raise alone, and with greater economy and efficiency in the process.

U,S. Department of Agriculture
Office of the Secretary

AGRICULTURE, TODAY AND TOMORROW

I deeply appreciate this opportunity to open the Centennial Lecture Series, dedicated to the theme of "Growth Through Agricultural Progess." I recognize, as you all must likewise recognize, that the topic assigned to me -- Agriculture, Today and Tomorrow -- would more logically have appeared as the last, rather than the first, of this series of lectures. The other topics, emphasizing the contribution of agriculture to our nation, the story of the land-grant college, and a century of performance by the U.S. Department of Agriculture, all appropriately fit into the foundation of a discussion of the future of American agriculture.

The presentation of these topics in their logical order has, however, been prevented by my own schedule, a schedule necessitated by plans to learn at first hand some of the answers to the question of how agriculture can make its most effective contribution in the years immediately ahead. Next Sunday I will leave for a study of problems relating to agriculture in those Asian nations where American understanding and assistance is needed most. I am taking with me qualified technicians from the USDA. This study is vitally important to the topic under discussion today because world-wide needs and world conditions have a more profound effect on this nation's agriculture than ever before, and hopefully this nation's agriculture can also help to meet needs throughout the world. I shall return to this subject a little later in this discussion

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Address by Secretary of Agriculture Orville L. Freeman, Centennial Lecture Series, Graduate School, U.S. Department of Agriculture, in Thomas Jefferson Auditorium, USDA, Wednesday, October 4, at 2:00 p.m. (EDT).

Today, therefore, in presenting my ideas on "Agriculture, Today and Tomorrow," I shall refrain from encroaching upon the subject matter of the distinguished and able speakers who will follow me in the four succeeding lectures. I know that Jesse W. Tapp, of the Bank of America, will show how the tremendous productive success of American agriculture has contributed to the economic growth and progress of the entire nation. I know that James H. Hilton, president of the Iowa State University, will tell how indispensable has been the contribution of the land-grant colleges to that success. I am sure that Vernon Carstenson of the University of Wisconsin, and Henry A. Wallace, one of my most distinguished predecessors, will present profiles of the history of the USDA that can only challenge us to build most effectively on the illustrious tradition of this Department.

I shall refer to these contributions and achievements only as they form parts of the frame of reference within which I believe we must look at agriculture today as we determine to work toward our goals for tomorrow.

I shall attempt to state these goals -- as I see them -- as clearly and simply as possible.

I shall attempt to assess how far we have progressed toward the achievement of these goals and to evaluate the factors that have contributed to this achievement. I shall suggest some of the problems and difficulties that confront agriculture more critically today than ever before, and I shall even venture to suggest some of the approaches that I believe are necessary to solve these problems and meet these difficulties.

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The Scientific Revolution

Any consideration of these problems must be presented in terms of the scientific and technological revolution that dominates the age in which we live. The magnitude of the potential effect of this revolution upon our lives and our future is so great that the impact of previous great historical developments, such as the industrial revolution, fades into relative insignificance.

Even as we live in the midst of these revolutionary changes, few of us recognize their tremendous import. And because we fail to realize their magnitude and their significance we do not face up to the dangers inherent in our failure to adjust to those changes. Nor do we accept their challenge of potential gains far beyond man's fondest dreams in an era that is now past.

There are two aspects of this scientific and technological revolution that must be noted. In the first place, science and technology have now progressed so far that for the first time in history we can clearly foresee the physical possibility of producing enough so that no one in the world need by in want for the material goods he needs. In the United States, as in some other countries, this potential has become a reality insofar as agricultural products are concerned. In varying degrees it is becoming a reality with regard to many other commodities as well. We are being thrust from an economy of scarcity into an economy of abundance faster than we have been able to adapt our thinking and our institutions to this revolutionary change. Most of our problems are affected by this delay in adjusting our social and economic thinking.

A second aspect of this revolution that has tremendous import for us today is the extent to which it links the future of every individual on earth to what happens in the rest of the world. As the scientific revolution has expanded our productivity it has shrunk the size of the planet on which we live. There

is no such thing as a purely domestic question in a world in which nuclear weapons are stockpiled and men can orbit the earth in a matter of hours. And the problems of American agriculture must therefore be considered in terms of the world.

Goals for Agriculture - Providing Basic Human Needs

One fundamental goal of all agricultural effort throughout history has been the production of primary goods to meet basic human needs. In the earliest agricultural society each member produced for himself and his family. As societies advanced and specialization increased, as human needs became more complicated and began to include more and more manufactured products and services, the producers of food and fiber produced more than enough of these primary products to satisfy the needs of themselves and their families. Their increasing productivity then provided a base for industrial growth.

In approaching this goal -- that of providing food and fiber to meet human needs and on which to base economic growth -- American agriculture is a tremendous success, far beyond what has been generally recognized. One American farmer now produces enough for 25 others, more than twice what he could produce only 20 years ago. It is appropriate to recognize those elements that have contributed to this great success story.

I believe that one of the principal elements in this success is the application of the skill and ability of the American farmer in an agricultural economy based upon free enterprise and personal incentive on an owner-operated family farm. I believe that this system of agriculturea has, by its very success, proved its overall superiority, in both human and economic terms, over other forms of land tenure and agricultural organization. I believe that this system is of such great value that its preservation should be an imperative

in our farm programs and policies. It is therefore fitting that in our centennial observance in agriculture we recognize the importance of the Homestead Act as it contributed to this truly American family farm economy.

Another basic element in the productive success of American agriculture also can be traced to the policies launched a century ago to further research and education through our land-grant colleges and the United States Department of Agriculture. These colleges and this Department, our experiment stations and Extension Service, have provided media through which scientific and technological progress could make a maximum impact on agriculture because it is made available to millions of individual farmers throughout the nation, not only in schools and colleges, but in their own communities and on their own farms.

Yes, we have gone a long way toward the goal of producing abundantly enough to meet the needs of the people of America for the products of our farms. We have not been as successful in distributing these products to all who need them, but in this respect, too, we are making progress. Less than a generation ago one-third of our people were ill-fed and ill-clothed. Today, by similar standards, that fraction has been cut to 5 or 10 percent.

We are intensifying our efforts to use our abundant agricultural productivity to meet basic human needs in the larger community that encompasses the world. I shall speak further of this effort as one of the principal challenges to American agriculture.

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In one other respect do we need to take further action toward the goal of meeting human needs. We need to adapt the ever normal granary concept to a scientifically determined reserve supply adequate to meet any emergency.

GOALS FOR AGRICULTURE -- ADEQUATE REWARD TO FARMERS

The tremendous productive success of agriculture in the United States is a major factor in our high level of living and in our industrial development. But its economic rewards today accrue chiefly to the general public, chiefly to the consumer who gets more and better food, at less real cost, than anywhere else in the world at any other time in history. This leads to my second goal for agriculture today.

A concern for the human resources involved in our farm economy is an integral part of the American ideal of equality of opportunity and concern for human welfare. Abundant productivity is not enough, unless those who produce that abundance receive a fair reward for the capital, labor, and managerial effort they invest. In this respect in the United States today we fall so far short of our goal that the average per capita farm income is less than half that of the non-farm population.

The paradox in this situation is that to a large extent our very success in reaching for the goal of abundant productivity contributes to our failure to reach the goal of adequate farm income.

For many years we have recognized that a comparatively small surplus of food, in excess of the commercial market demand, results in farm prices too low to maintain a fair level of farm income. We have sought to remedy this by various policies and programs based more on the

concept of meeting a temporary or emergency situation than on a clearly understood or well defined policy. We have not yet developed an overall national policy or program directed toward adequate incomes for farmers and based upon a clear recognition of the implications of an economy of abundance. This, too, is a major challenge that American agriculture and the American public must face.

GOALS FOR AGRICULTURE--RESOURCES FOR THE FUTURE

Another goal of utmost importance in the world of today is concern for resources in both the immediate and distant future. We are just beginning to realize the dimensions of the problem we face with regard to adequate soil and water resources for coming generations. Rapid movement into the cities and suburbs, combined with a high rate of population growth, impose on us the obligation of considering -- not only whether we will have enough productive land for farming -- but also how we can best utilize our land and water resources to provide future needs for recreation, to maintain and enhance the values of rural life, and to offer to the increasing millions living in metropolitan areas opportunities to know and appreciate nature itself.

I have thus far referred to three broad goals for American agriculture of today and tomorrow, and I have suggested that maximum progress toward reaching these goals can be attained only if we take into account the tremendous changes inherent in the scientific and technological revolution of today, with its implications of an economy of abundance and of an interdependent world.

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In this context, American agriculture faces two great challenges.

The first challenge is whether we can utilize our abundant farm productivity in such a manner as will insure farmers the opportunity to earn a fair reward, without exploiting either the taxpayer and the consumer, and at the same time maintain the values of our American owner-operated family farm and conserve our natural and human resources.

I suggest that we must answer this question in the affirmative. And I further suggest that we can answer it in the affirmative if we seek the answers by mobilizing those same resources of research, education, extension and public understanding that have contributed so much to the outstanding productive success of our agriculture during the past century.

Let me be specific. Research and education have taught the American farmer how to produce abundantly. They have not yet shown us how to manage that abundance in the best interests of all.

Science has shown us that we can produce more abundantly than we can consume (in both commercial channels and by special programs to provide food where it is needed) but social science has not yet shown us how to engineer this efficient productivity to benefit the producer.

Technological advance has decreed that a constantly dwindling number of farmers, on fewer acres, but with greater investment of such inputs as machinery and fertilizer, can continue to increase total production; but we have not yet determined how to make the best use of those excess acres, nor have we developed programs for maximum benefit of the human beings whose labor is no longer needed by this efficient agriculture.

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We can and must find the answers to these questions -- and without delay. We can do it by devoting to these problems the same kind of talent, ability, study and research that we have given to problems of increased production.

I submit that this presents a major challenge to our land grant colleges, to our experiment stations, to our Extension Service, and to the Department of Agriculture. It presents a challenge that some would prefer to avoid because it involves controversial matters, because it relates to the formulation of public policy, because it deals with matters that cannot be proved or disproved by chemical analysis or controlled experiments.

But I submit that we cannot avoid this challenge. We cannot avoid it, simply because it deals with the welfare of human beings, with the future of our resources and our children, with principles and ideals relating to human dignity, and with values we regard as vitally important.

We cannot allow machines to displace men, either in agriculture or industry, without providing those men with the opportunity to find and qualify for other employment.

We cannot allow most of our ablest young farmers to be forced out of agriculture -- the one industry that is absolutely essential to human survival -- because farming offers economic incentives so much lower than other occupations.

And I believe that we cannot allow modern economic trends, such as the increased need for capital and credit in farming, to

jeopardize the continued existence of our owner-operated efficient family farm system -- a system that not only has developed the world's most productive agriculture, but also represents the best social and cultural values of rural life.

If we are to accept this challenge we must do more than come up with answers formulated by experts. Research for increased productivity in agriculture was not enough -- the knowledge and techniques developed by the experts and the engineers had to be brought to the farmer himself. Social engineering can be assisted by experts, but it cannot be adopted by them. Therefore one of the biggest tasks ahead will be one of education, of public discussion, of arriving at sound decisions on policy in a democratic manner through participation by the farmers, and by the non-farm public as well.

In this connection it might be well to comment that the "constituency" of those agencies that have done such an admirable job in educating farmers will need to be expanded to include all citizens. Farm policy is no longer made by farmers. Consumers need to understand that much of the progress in what we call agricultural research benefits them much more than it benefits the farmer. The public needs a far better understanding of farm problems and their relationship to the economy as a whole. It needs to become aware of the fact that mechanization on the farm and automation in the factory are twin aspects of the technological revolution that can bring about dislocation and personal hardship -- or the blessings of abundance -- depending on how they are handled. Farm economics cannot be separated from overall economic problems.

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Decision-making in a democracy on matters as important and as involved as these is never simple or easy. But it is the American way. I am confident that the same agencies of study and research and education that have contributed so much to agricultural progress during the past century, can meet this challenge. They must meet it if they are to continue to hold their rightful place in American life.

In accepting this challenge I recommend the following words from a speech by one of our nation's earliest agricultural leaders, and one of our greatest statesmen. The following passage by Thomas Jefferson is inscribed on his memorial here in Washington:

"I am not an advocate for frequent changes in laws and constitutions. But laws and institutions must go hand in hand with the progress of the human mind; as that becomes more developed, more enlightened, as new discoveries are made, new truths discovered and manners and opinions change, with the change of circumstances, institutions must advance also to keep pace with the times. We might as well require a man to wear still the coat which fitted him when a boy as civilized society to remain ever under the regimen of their barbarous ancestors."

The second great challenge facing American agriculture today is how it can make its maximum contribution to support freedom and progress and to advance the cause of peace and security in the world.

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In a sense this challenge is forced upon us by the abundance of our productivity. In a sense it is imposed upon us by our own belief in freedom, and by our awareness that our own security and our own future may well depend on the choice made between communism and democracy in the uncommitted nations of the world.

There are at least three ways in which we can meet this challenge. One way lies in the use of our superiority over the Communists in agricultural productivity as a propaganda weapon in those nations and among those peoples that are seeking rapid economic growth and are greatly in need of increased agricultural production. This is one of the assets of our free society that we haven't even begun to use as effectively as we could.

Most of the developing countries of the world are primarily agricultural in their economies, and most of them are desperately in need of greater efficiency in farm production, both to provide their people with more adequate nutrition and to release labor for accelerated economic growth. Many of them have just recently acquired their independence, and in their emergence from a colonial status have not yet settled such questions as land tenure and ownership.

What could be more persuasive in bringing about a demand for a system of private ownership of farms, for an owner-operated family farm system similar to ours, -- What could be more appealing to people who have yearned to own their own land and are now free to choose policies that will make such ownership possible, -- than a clear understanding that the most abundantly productive agricultural economy in the world is based on that kind of ownership? What could be more effective today than the simple but

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dramatic facts of agricultural production, -- of hunger and even famine under communist agriculture, as compared with our production here, under a system where production is stimulated by individual ownership and personal incentive, in such abundance that we have plenty to spare and to share?

A second way by which we can meet this challenge is by sharing, not only our system of land ownership and operation, but our experience in providing the kind of supervised credit that helps to make that kind of ownership effective, and our technological and scientific know-how in production methods. By expanded and more effective programs of technical assistance, to improve agricultural productivity in the emerging nations, we can help them to raise their level of living rapidly enough to give them real hope for the higher standards they must have for stability and democracy.

The third way to approach this challenge is to expand and intensify our efforts to use our abundance -- our "surplus" if you will -- to help to feed the hungry who are in need because of disaster or emergency, or because their own economies are not yet advanced enough to provide the food they need; to use the products of our excess productive capacity as part of the investment in economic growth in the emerging nations of the world.

I believe that the farmers of this nation, and all the people of this nation, overwhelmingly support such programs. I believe we support them because of our own self interest as well as because of our moral standards. I believe t that, just as no community in America would countenance stored food while neighboring children were hungry, so the American people who recognize the larger community of nations cannot accept the concept of any real surplus of food while people anywhere are suffering from hunger.

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American agriculture today cannot evade this challenge to make its contribution to foreign aid in a measure commensurate with its productivity, its strength, and its position of leadership. We have already, during the past seven years, provided over nine billion dollars worth of agricultural products under special government programs, to nations and to people throughout the world where such products are needed.

The month's tour that we are beginning next Sunday is being made for the purpose of learning how we might best meet this responsibility. We shall seek ways of advancing international trade. We shall try to evaluate existing programs of foreign aid involving the use of American food to meet needs and in support of economic development. We shall study whether new and improved methods can be developed to make our Food for Peace program more effective.

At the conclusion of the trip I shall speak at the biennial conference of the Food and Agriculture Organization in Rome, where I hope the member nations will cooperate in planning effective multilateral programs to increase agricultural production in food-deficit nations, and for the use of food to combat hunger and promote economic growth.

American agriculture is in a position of world leadership. As a result of that position it has an obligation to lead effectively in the direction of the maximum utilization of the scientific and technological revolution of today to bring about the economy of abundance that is possible in the world of tomorrow.

If we would meet the challenge of this new age of space, of

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power, and of potential plenty we must be ready to follow Jefferson's advice and adapt our social and economic institutions to direct the power that man has created in the best interest of mankind. The future -- not only of agriculture -- but of our entire civilization -- may depend on how well we succeed.

Let us resolve to meet this challenge.

Let it never be said that, in these critical years of the scientific revolution, we were able to send men into space but unable to put bread and milk into the hands of hungry children.

Le it never be said that we had the scientific knowledge and the technical skill to produce power sufficient to destroy civilization, but that we did not have the ability, the vision, and the will to use that knowledge to produce and distribute the abundance that science and technology now offer to a world at peace.

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USDA 3224-61

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Following is a letter from Secretary of Agriculture Orville L. Freeman to President John F. Kennedy --

October 5, 1961

The President
The White House
Washington 25, D. C.

Dear Mr. President:

This is to advise you that I have reason to believe that articles and materials wholly or in part of cotton are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the program or operations undertaken by the Department of Agriculture with respect to cotton or products thereof, or to reduce substantially the amount of products processed in the United States from cotton or products thereof with respect to which any such program or operation is being undertaken.

The programs and operations for upland and long-staple cotton being conducted by the Department of Agriculture include (1) price support programs, (2) acreage allotment and marketing quota programs, and (3) export subsidy programs for cotton and cotton products.

About 525,500 bales of cotton were used to manufacture cotton textiles imported into the United States in 1960. The quantity of such imports was at a record high in that year. Production of cotton abroad has increased steadily and sometimes sharply since 1950. Over the five years ending in 1960 imports of cotton textiles increased at an average annual rate equivalent to about 69,000 bales.

Since the end of World War II, aggregate mill consumption of cotton has tended to decline. Consumption per capita in the United States declined from an annual average of about 29.3 pounds in the 1946-55 period to about 23.9 pounds per person in 1956-60. The increase in cotton textile imports has importantly contributed to the decline in mill consumption of cotton. On a per capita basis, imports of cotton textiles increased from about the equivalent of 0.5 pounds per person in the United States in 1955 to approximately 1.4 pounds per person in 1960. From 1946 to 1955 the increase was from 0.1 to 0.5 pounds. The sharp rise in the per capita rate of imports of cotton textiles occurred during the period when export subsidies and export differentials were relatively large and were consistently paid. Consumption per capita of cotton by United States mills during the period 1956 to date declined by about 3.3 pounds. The increase in imports of cotton textiles was equivalent to about 0.9 pounds per person in the same period.

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It is evident that imports of articles and materials wholly or in part of cotton will render or tend to render ineffective, or materially interfere with the Department's programs for cotton and products thereof, or will reduce substantially the amount of products processed in the United States from cotton. It is recommended, therefore, that you request the United States Tariff Commission to make an immediate investigation under Section 22 of the Agricultural Adjustment Act, as amended, to determine whether a fee on the cotton content of imported articles and materials wholly or in part of cotton, equivalent to the per pound export subsidy rate on cotton, is necessary to prevent the imports of such articles from rendering or tending to render ineffective or materially interfering with the Department's programs for cotton and cotton products, or from reducing substantially the amount of products processed in the United States from cotton or products thereof, with respect to which such programs are being undertaken.

The Commission's findings should be completed as soon as practicable.

Respectfully yours,

/s/ Orville L. Freeman
Secretary

U. S. Department of Agriculture
Office of the Secretary

AGRICULTURE'S ROLE IN PEACE AND PROGRESS

It is a distinct honor to be invited to address the American Association.

When I received word from Ambassador Young that the American Association wanted to be my host, I was delighted to accept. It is a great pleasure to meet you fellow Americans and, through you, so many distinguished citizens of Thailand.

When I took office nine months ago, my first job was to tackle domestic agricultural matters. Specifically it was necessary to bring about more effective management of the huge agricultural production plant that we have in the United States. This, to a considerable extent, we have begun.

But it is impossible to be the agricultural member of President Kennedy's cabinet very long without becoming highly aware that the responsibilities of his Secretary of Agriculture do not terminate at the Nation's boundaries. Upon taking my oath of office, I found that not only was I expected to foster the well-being of the agriculture of the United States but also to play a leading role in using our agricultural products and our agricultural technology to foster the well-being of friends around the world.

In short, it quickly became apparent that since food and the means of producing food constitute one of the most powerful forces in the world today, they must be so regarded and so utilized. It became apparent that a nation fortunate enough to be blessed with agricultural abundance must use this blessing responsibly and constructively. It became apparent that as soon as possible I should visit many of our friends of other lands, to study their agricultural and food supply situations and to study the opportunities for associating with them even more effectively than in the past.

Remarks to be delivered by Secretary of Agriculture Orville L. Freeman at a meeting of the American Association, Bangkok, Thailand, Wednesday, October 25, 1961, at 12 noon Bangkok time (1 a.m. EDT October 25).

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And that is why I am here today.

In my party are some of the best scientists, economists, and technicians of the United States Department of Agriculture and as we visit a number of countries of Asia we are doing these three things:

First, we are getting a first-hand picture of the status of agriculture in each country;

Second, we are seeing how well the world's agricultural products are moving to consumers;

And third, we are clarifying our ideas on how the United States can best work with our agricultural friends of Asia as they continue to improve their production and the distribution of that production.

Thailand, the United States, and all the advancing nations face a great challenge -- the challenge of whether, through mutual effort, we can put our intelligence, our technology, and our resources to work in such ways as to eliminate hunger from the world.

I am convinced that we can do it. We could not have done it a century ago or even 25 years ago. But I am convinced that as of now, if nations will make effective use of their existing reservoir of agricultural knowledge, experience, and ability, every man, woman, and child in this world can have expectation of being adequately fed.

One of the great stories of modern times is that of agricultural development. This is a story, I regret to say, that is not sufficiently well known. Everyone knows much better the spectacular stories of supersonic airplanes, of guided missiles, and man's hopes of flying to the moon. As Secretary of Agriculture, however, I like to point out that spectacular developments also are taking place on, or in, or only slightly above the ground.

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There are many exciting new developments in agriculture. One of these, for example, concerns the peaceful uses of atomic energy. Atomic energy, in various forms, has come to play a valuable new role in agricultural science. Through use of radioactive isotopes, our scientists have made new discoveries in the cause and control of diseases of dairy cattle. Isotopes are revealing important new information on the complex relationships of plants to soils, fertilizers, and water. Isotopes are showing how we can do a better job of controlling harmful insects.

Let me cite just one outstanding example of how atomic energy is being used to help control insects.

In the southeastern part of the United States, cattle have long been plagued by an insect called the screw-worm. Losses have totaled millions of dollars annually from the screw-worm, which is the larva of a small blue-green fly. The fly lays its eggs on any wound or scratch that it finds on the hide of an animal. These eggs hatch, the larvae feed on the animal's flesh, then finally fall to the ground to complete their growth and emerge as flies, ready to start the cycle all over again. A bad infestation of screw-worms causes severe loss of weight or even death of an animal.

Our scientists found a successful control by using atomic energy. They discovered that since the female screw-worm fly mates only once in her lifetime, all that was needed was to mate her with a sterilized male fly which would result in her laying sterile eggs, thereby breaking the life cycle. Accordingly, an extensive control project was set up. Millions of male screw-worm flies were raised under laboratory conditions, sterilized by atomic radiation, and released to mate with the females. The results were as expected and the project was completely successful. Today in our southeastern states the screw-worm has become an occasional occurance instead of a constant menace.

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Not only in the United States but in every developing country, big things are happening in agriculture. I am acquainted to some extent with the outstanding work in improving rice culture that is being done here in Thailand.

In the United States, one of the most noticeable transformations in agriculture is the replacement of animal power by mechanical and electrical power. Twenty years ago, over half our farm power was provided by animals, mainly horses and mules. Now mechanical and electrical power have taken over so completely that this year in our agricultural statistics we are not even bothering to report the very small number of draft animals as a factor in production.

This mechanization of American farms has two meanings. First, it is enabling fewer people to turn out more work. One of our farm workers now produces as much in an hour as four men did in 1936. Hundreds of thousands of farm workers have been released to strengthen our labor force in industry. Second, large areas of land that formerly produced feed for draft animals have been diverted to producing food for people. This alone has greatly expanded our food production ability.

In the United States, because of mechanization and other farming advancements, one farm worker produces enough to feed 26 persons -- 23 Americans and three persons of other Nations. In the Soviet Union, by contrast, one farm worker produces enough to feed only six persons -- all Russians.

In the Soviet Union, 45 percent of the labor force is on the farm. In the United States, less than 10 percent of the labor force is on the farm.

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The Soviets have spoken repeatedly of their intention to catch up with and surpass the United States in agricultural production. They have a long way to go but I wish them well. I can think of no world contest more desirable than that of nations seeking to outdo one another in agricultural efficiency. In today's armaments contest, there is danger that everybody may lose. In an agricultural contest, however, everybody wins -- every contestant ends up with more food than before and better ways of producing food in the future.

I repeat that in this farming contest I wish the Soviets well. They have vast agricultural resources. They have technical competence. But there is one thing more they need to run a strong race -- and that is individual incentive. The communists have yet to find a substitute for the strong feeling of personal responsibility that a farmer experiences when he and his family own and care for their own land and their own livestock. The communist have yet to find a way to evoke the same amount of energy that a farmer will voluntarily produce to take care of that which is his own.

The people of Thailand know what I am talking about, and so do the people of the United States. In both Thailand and the United States, farming is done almost entirely under the family farm concept. In each of our countries, approximately 90 percent of farm land is privately owned. Because of this personal and intimate relationship between the farmer and his soil, countries such as ours have a tremendous psychological head start. Any agricultural system that is state-owned, regimented, and bureaucratically-controlled will find it difficult if not impossible to catch up.

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These are days in which people and nations must be open-minded to the facts that underlie progress. Great programs of sharing, programs that did not exist a few years ago, are enabling progress to take place across a broad front. Thailand is one country which has been commendably open-minded and receptive to improved ideas in agriculture. This is an important reason for Thailand's continued advancement.

Nearly 14 years ago the Government of Thailand called upon the Food and Agriculture Organization of the United Nations to work with it in studying its agriculture and suggesting a program of improvement. The Mission for Siam, as it was called, did its work well and came up with a total of 128 specific recommendations. As to the number of actual recommendations that have since come into being, I do not know -- but I am told that these recommendations have been highly valuable in indicating directions to be taken.

As Thailand has gone forward with its agricultural improvement, the United States has been pleased to play a cooperative role -- particularly in helping to develop an agricultural program at Kasetsart University, assisting the 24 Thai agronomy experiment stations in their crop improvement work, and lending a hand in livestock development.

As a modern historical note, I think it is worth recalling that this fine cooperative work is part of the carrying out of the "bold new program" called for by President Truman back in January 1949, the so-called Point 4 program. As the fourth point of his inaugural address, he had asked the people of the United States to "make available to peace-loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life."

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The Point 4 program has flourished through the years and has consistently received the wholehearted support of the American people. It has been reinforced by a number of companion activities, including food supply and economic development programs. It is being reinforced further at this very time through our new Act for International Development, a strengthened program of international cooperation recently passed by the 87th Congress.

I would like to quote this statement of purpose from the Act:

"The Congress declares it to be a primary necessity, opportunity, and responsibility of the United States, and consistent with its traditions and ideals, to renew the spirit which lay behind these past efforts, and to help make a historic demonstration that economic growth and political democracy can go hand in hand to the end that an enlarged community of free, stable, and self-reliant countries can reduce world tensions and insecurity."

President Kennedy has expressed the importance of the program in these words: "...we are launching a Decade of Development on which will depend, substantially, the kind of world in which we and our children shall live."

As I indicated earlier, we in agriculture are prepared to play an even more active role in working with other countries in programs of agricultural improvement. The need exists. Relatively few countries are listed with Thailand and the United States as net exporters of food products. The majority of countries are deficient in their food supplies and must import, often substantially, to survive.

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World food shortage is a very real problem -- perhaps the greatest problem -- that mankind faces. Just before I left on this trip, we completed a study of "The World Food Budget, 1962 and 1966." This represents an effort to inventory the entire world food situation, where it stands today and what will be the demands of the near future. I would like to quote just these five sentences:

"Food balances for the world's nations present sharp contrasts.

"Diets are nutritionally adequate for the 30 industrialized nations in the temperate Northern Area which account for a third of mankind -- more than 900 million people....

"For most of the 70 less-developed countries in the semitropical and tropical Southern Area, diets are nutritionally inadequate, with shortages in proteins, fat, and calories.

"These countries contain over 1.9 billion people.

"In most of them, population is expanding rapidly, malnutrition is widespread and persistent, and there is no likelihood that the food problem soon will be solved."

This is a stark situation, one that cannot be ignored. We have not previously had as adequate statistics on world hunger as we have today but it has not required statistics to tell us that in many countries hunger does exist. As far back as 1954 we established a food-sharing program, known then as Public Law 480 and today called the Food for Peace program. This is a program through which, over these years, we havebeen attempting to share the contents of our granaries and agricultural warehouses as a means of helping the world's people to be more adequately fed. It is an elementary fact that agricultural and industrial development, which are the world's long-range solutions, can come about only to the extent that people are adequately fed as they carry out this development.

Food is energy. It requires great human energy to build better nations.

All countries are aware of this, and an increasing amount of sharing is taking place. Thailand has been generous in this respect, and has donated substantial amounts of rice to less fortunate neighbors. Many other food exporting nations are doing similarly, both bilaterally and through multilateral programs such as the United Nations and the Colombo Plan.

Food sharing is necessary and it is good, but it sometimes does lead to problems. The world is accustomed to buying and selling its products through the commercial marketing mechanism. When we start any large scale movement of food outside this mechanism -- whether through donations, barter, or acceptance of local currencies -- there is real danger that we may damage or interfere with the operation of this essential mechanism. In these closing remarks, I want to emphasize that we in the United States are highly aware of this fact. We have taken specific steps in our food-sharing programs to avoid damaging commercial markets. We do not think we have damaged commercial markets. We shall continue to exercise the utmost caution that we do not damage them.

The United States today is the world's largest agricultural exporter. Our agricultural exports are at a record level, and about 30 percent of our exports are going to the newly-developing countries under the Food for Peace program. This is a tremendously large movement of agricultural commodities. As might be expected, we have been told that this program sometimes interferes with the long established commercial markets of our friends. Our friends in Thailand have said upon occasion that they thought our shipments of rice under the Food for Peace program were hurting their own marketing of rice to old customers.

We always take such reports seriously and investigate them carefully. Our desire is not to hurt commercial markets but to help make them operate even more effectively. That, after all, is the end purpose of the development programs in which we are investing large sums -- to help the world's people progress and prosper so that they can fill their needs by buying in the market.

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In the case of rice, we have been especially careful that our shipments under special programs would not damage the export relations of long-established world rice suppliers such as Thailand. We have participated in multilateral rice consultations with the rice exporting countries for this purpose.

In explaining the very conservate approach taken by the United States in programming our own exports of rice, I believe that first I should make it clear that we are not newcomers to world rice trade -- we have been exporting rice for almost 300 years. During the food shortage periods of the Second World War and the years immediately following, we expanded both production and exports of rice in response to the very great world need. However, as world rice supplies began to recover and build up, we began to reduce our own production. Last year, for example, our rice production was 15 percent less than the 1954 peak. Our production is currently steady at about 2.5 million metric tons of unmilled rice per year. This is roughly 1 percent of world production. We have the land, the equipment, and the experienced farmers to greatly expand our rice production if there were reason to do so, but we are carefully refraining from either producing or exporting at levels that are damaging to world rice marketing.

The record bears out our responsible approach. During all of the post-war period, the other surplus rice producers such as Thailand have found a ready market, at relatively high prices, for their export supplies. During the operation of our Public Law 480 program, since 1954, Thailand has consistently been able to dispose of its surplus rice. Nor is there indication that price trends have been adversely influenced by Public Law 480 shipments.

At the end of last year, for example, prices of rice were the highest since 1958 despite the fact that our shipments of rice under Public Law 480 were the largest since the program began. Furthermore, I am told that Thailand's exports of rice at the end of August this year were running considerably above those of last year.

Whether it is rice or wheat or feed grains or vegetable oils or cotton or any other commodity that we have in abundance, it is and will continue to be our responsibility to use these supplies constructively and responsibly in supporting the foreign policies of the United States and in supporting the progress and development of other friendly nations. This I regard as an expression not only of humanitarianism but also of self-interest. Our Food for Peace program is based on the very practical fact that in today's world we of the United States can progress only as others progress with us.

As President Kennedy has said, this is the Decade of Development. The accomplishments of nations, working together, in the years immediately ahead will determine to a large degree "the kind of world in which we and our children shall live."

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U. S. Department of Agriculture
Office of the Secretary

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I deeply appreciate this opportunity to speak to the Food and Agriculture Organization. To me, this occasion is much more than an opportunity to pay respects in formal and appropriate terms to member nations and their distinguished representatives. It is an opportunity to do more than reaffirm our belief in the high principles and goals for which the FAO was founded. It is above all an opportunity for us to pledge our moral and material support to shift the FAO Freedom From Hunger Campaign into high gear, and to issue a call to arms -- an urgent appeal to the nations of the world to mobilize all their resources in a war against mankind's oldest enemy -- hunger. It is an occasion on which we can -- if we but will -- resolve to defeat that enemy.

The weapons that can defeat this oldest enemy of man are at hand. Science has shown us how to grow not two -- but four -- blades of grass where one grew before. Nuclear power can be used to irrigate a desert rather than to explode a bomb. And the social and economic techniques by which ordinary men can own their own land and farm it efficiently have been tested and proved. There is no longer any doubt that an effective and universal application of known techniques of agricultural production could produce more than enough food and fiber for all of the world's growing population.

Yes, the weapons that can win the war against hunger and want are at hand. My country has them in abundance -- and it is eager to share

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Address by Secretary of Agriculture Orville L. Freeman before the Conference of the Food and Agriculture Organization at Rome, Italy, November 8, 1961.

these weapons with any nation that will use them to advance human welfare and the cause of peace.

One of the most important facts of the world of today is that science and technology have progressed so far that -- for the first time in human history -- the door has been opened to the possibility of providing enough food, clothing, and shelter for every man, woman, and child on earth. The challenge that this age has imposed upon human society -- upon the nations and the governments of this earth -- is to make that possibility a reality.

This challenge is one we dare not evade. And because the Food and Agriculture Organization is one of the institutions that has an important role in meeting that challenge, it is essential that we consider -- here and now -- how it can be met and what obstacles we must face and overcome.

Each one of us here can speak most effectively in terms of his own experience and the experience of his own country. This is what I propose to do, as clearly and forthrightly as I can. For I am confident that if every nation represented here does just that, if we search honestly and patiently and with determination for the most effective ways to fight the common war against hunger and want, we can chart our way to victory.

A month ago I was in my office giving serious consideration to two related problems. One was the problem presented by stockpiles of agricultural products at hand in my country in excess of what we can use -- stockpiles that are sometimes called "surplus." The other was the much more serious problem -- presented by a study we have just made called The

World Food Budget -- a study that reveals that in vast areas on this earth millions of people are hungry. Millions suffer from malnutrition serious enough to sap their energy and impair their health. Some even die for lack of food. And in this context I can say emphatically that as long as human beings are hungry anywhere in the world there can be no real surplus of food.

For many years my country has tried to take positive and constructive action to resolve this dilemma of hunger in a world in which so-called surpluses exist. Over the past seven years, under special government programs, we have provided about nine billion dollars worth of agricultural products to nations and to people throughout the world where those products were needed. During this year alone it seems likely that my government will have programmed for export agricultural commodities valued at $3 billion as a part of our program of food for peace.

Yet even this program has met with difficulties. There has been fear that my country was more interested in "dumping embarrassing surpluses" than in feeding hungry people. Let me say emphatically that this is neither our intent nor our action. I assure you that we seek in every way possible to direct that portion of our productive capacity that is in excess of our own needs into channels that will provide what others need.

Another difficulty that we have sought diligently to avoid relates to the concern of friendly nations that also produce more than their own needs -- a concern lest U.S. donations, barter, or concessional sales might deprive them of cash markets they might otherwise have. Again let me assure you that we have no desire to encroach on such markets, and that

we seek to the best of our ability to direct our special programs of food for peace into consumption that would not otherwise exist, and where they are most wanted and will do the most good. My country would urge other nations with an abundance, or "surplus," of food to join with us in programs for the distribution of that abundance.

For the past month I have given special attention to these and other problems in relation to our Food for Peace program. I have just completed a personal study, in eight Asian countries, of problems relating to trade in agricultural products and assistance in agricultural development. I sought to learn at first hand to what extent our programs are successful and effective, to what extent our food reaches those who need it most, and to what extent it contributes to economic growth and higher levels of living. I have sought particularly to learn how these programs can be made more effective in reaching goals we all seek -- how they can be more effective weapons in our war against hunger.

I have concluded this trip more acutely and personally aware of the difficulties involved in winning that war against want, and more convinced than ever before of the urgency of overcoming these difficulties. Permit me in this connection to give you a few observations that we made on that trip. I say "we" advisedly for I was privileged to be joined by 14 professional people from the United States Department of Agriculture, most of whom had served in one or another of the countries we visited and all of whom had long and distinguished service in Agriculture and related fields. Each country visited was reviewed intensively by these specialists consulting with their counterparts in the given specialty field. As

we traveled between countries the results were carefully reviewed jointly in intensive penetrating critiques. The final report of this comprehensive review of agriculture in 8 countries is yet to be made. Nonetheless, some observations of a general nature might, I feel, be useful to this gathering of distinguished agricultural leaders.

Without exception we found in each country a renewed emphasis on agriculture and an understanding that reasonable agriculture productivity is the prerequisite to successful economic progress and an improved standard of living. This simple economic fundamental has often been overlooked. I would not for a moment minimize the importance of industrial development, but without a solid agriculture foundation so-called industrial development often gobbles up desperately needed resources to the benefit of a few and the detriment of the many.

The greatest need for sound agricultural development is to apply what we know. The know-how presently in the test tube, the laboratory and the demonstration plot must reach the cultivator. This isn't easy. It took us in the United States almost 100 years to develop our extension service and all the related private sources of information that continuously stimulate our producers to put new "know-how" to work. No country we visited yet has enough technicians and professional people to meet the massive need to get new "know-how" into production. We must all join together multilaterally to meet this great demand for more trained people in every way we can. Those countries -- and in the immediate future there will be more -- who are blessed with the capacity to produce more food than their own population needs should systematically

plan to move more and more of their trained agriculturists to service in the developing countries.

Also we confirmed what every agriculturist knows -- that generally speaking, farmers everywhere are very poorly paid. Nowhere in the world that I know does the farmer receive a return on his capital and labor comparable to other segments of the economy. For example, nowhere -- and this is also true in our United States -- nowhere did we find the return to the farmer equal to that of semi-skilled labor.

By and large, the increased productivity of United States Agriculture has benefited not the farmer but rather the consumer who today in the United States spends less than 20 percent of what he earns for food -- less than one half of the proportion consumers spend almost anywhere else in the world. It is indeed a sober truism that since the dawn of time farmers have usually sold in a buyers market and bought in a sellers market. Or to paraphrase the Scriptures, he who produces gets grass and water and he who processes, handles, and distributes gets wine and oil. This is not something we will soon change but it is certainly something of which we should all be conscious and attempt to remedy as a matter of simple equity and fairness and also because only if agricultural producers are fairly rewarded will essential increased efficiency and production be quickly forthcoming.

Finally the privilege of reviewing the state of agriculture and the economy in general in the 8 countries visited has reaffirmed and strengthened my conviction that we must join in a more vigorous, determined and

united effort, on a much larger scale than we have thus far made, in our march toward victory in the war against hunger.

There are several battles we must win before we can hope for victory.

The most important of these is the battle against ignorance: ignorance of many kinds and in all nations. Let me suggest a few approaches to this battle.

There is the very real ignorance of what the world's nutritional needs really are. FAO has done and is still doing constructive work in this area with its world food surveys and other nutrition studies. Many governments represented here have helped to turn more light in this subject. In our own current study of world food deficits my government is trying to measure the nutritional needs of various parts of the world against projected agricultural production and imports for 1962 and 1966. This study is based upon the assumption that only when we know the nature and extent of the potential deficit can we plan to meet it most effectively. As we work together to gain essential knowledge, through surveys, studies and much more research, we can overcome much of the ignorance that now handicaps us in our war against hunger.

We must also combat widespread ignorance in many parts of the world of knowledge that already exists and is put to good use elsewhere. It is a fact of utmost significance that agriculture has made its greatest strides in those nations and among those peoples where the farmers themselves possess a high degree of knowledge and technical skill.

In my country we credit much of our progress in agriculture to programs launched nearly one hundred years ago to further agricultural

education. In 1862 we provided aid for our land-grant colleges to study and teach, to conduct experiments and research, to advance agriculture. We have developed extension programs whereby knowledge and technical assistance is brought to farmers throughout the nation, on their own farms and in their own communities.

In that year we also launched a program that is the foundation of our "family farm" system of agriculture, a system under which farmers own and operate their own farms, a system that we believe to be the most efficient and productive, and the most economically and socially desirable, of any system of land ownership that has developed. My country has followed policies that support this owner-operator system of farming -- policies that seek to provide both the credit and the know-how that enable farmers to produce so abundantly. Similar efforts and progress have been made in many other countries.

One farmer in my country, who, along with other cultivators, comprises less than 9% of our population, today produces enough for 26 people -- 23 Americans and 3 people somewhere else in the world. We would like to share with all others the know-how that makes this progress possible. We know that different lands and different traditions call for different approaches -- and that each nation will adapt methods and techniques to its own needs. But we also know that seeds germinate and plants grow in the same way regardless of the language spoken by the farmer who tends them. We recall that when our own nation was a colony the only indegenous agricultural products we had were tobacco and corn. I think that our awareness of how much we have gained from other nations

heightens our desire to promote international efforts at sharing agricultural knowledge today.

We know that in the long run technical assistance, the sharing of knowledge and experience, will develop a sound, efficient, productive agricultural base for the economic growth that will insure final victory in the war against hunger and want. We also know that, while donations of food can never in themselves win the war against hunger, they can be a most effective weapon in winning that war. They can help to meet emergencies. They can supply urgent needs during an interim period of development. They also can in many instances be used to plan more effectively and as a part of the investment in economic growth. We cannot afford to neglect the use of this weapon, and we must seek ways and means of using it to maximum advantage.

One important element of strength that we cannot afford to overlook in our war against hunger is the maintenance of healthy domestic agricultural economies and expanding trade relationships. As the United States seeks to improve its own farm economy, it will give the most sympathetic consideration to the interests of agriculture in the rest of the world. We seek to minimize international price fluctuations and instability. We will consider sympathetically proposals for arrangements in this area that offer a reasonable chance of success. Just as we intend to maintain our traditional position as a large scale exporter of agricultural products, so we are resolved to follow a good neighbor policy with respect to our fellow agricultural exporters.

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We desire, of course, to continue to compete in the hard-money markets of the world. This we will do. But we also believe that the worlds needs are so great that we and others able to produce more than enough to meet home needs should use all possible means to move our agricultural commodities into consumption where needed around the world. We in FAO should clearly set forth what should be our individual and long-term objectives for production and trade -- and move together as precisely as we can to meet those objectives.

We have before us for consideration by the FAO a set of Guiding Principles for Agricultural Price Stabilization and Support Policies with Special Reference to the Need To Minimize Adverse Effects on International Trade, which the CCP has developed in long and serious consultations. The CCP and the Council have recommended that the Conference adopt these principles. My delegation will support these Guiding Principles as a promising attempt at a new approach in international cooperation in this field.

This new approach, featuring greater understanding and international cooperation, should help to stabilize world prices and expand trade, and should make it easier for us to cooperate with each other in special programs for the most effective use of our so-called surpluses in the war against hunger.

Another battle in the war against hunger will be the effort to overcome traditions, attitudes, and suspicions that may have had deep roots in the past, but that have no validity in the rapidly changing and critically interdependent world of today. National pride and national

independence are as valuable today as they ever were; but national rivalries and restrictive trade policies can be serious drawbacks in today's world. Therefore my country seeks international cooperation and multilateral action in many areas. And particularly in the war against hunger do we see the need for greatly expanded multilateral activity.

This leads directly to another battle we must win if we are to achieve final victory. We must succeed in building social, economic, and organizational frameworks and institutions to enable us to share our food and our technical knowledge effectively, to achieve the abundance that is technically possible, and to distribute that abundance fairly -- among people within each nation as well as among the nations of the earth.

The FAO is one such institution. Nearly 20 years ago, in the midst of a world war, my country helped to launch the FAO. This great organization over the years has done much through its regular and technical assistance programs to increase agricultural production in food-deficit countries of the world. Today, in the midst of another crisis, FAO can play a vitally important new role -- this time in the area of food distribution.

The effectiveness of the international approach in the field of agricultural production has already been demonstrated not only by the FAO but also by such regional organizations as the Colombo Plan and the Inter-American Institute of Agricultural Sciences, a specialized agency of the Organization of American States. Other international bodies, such as the World Health Organization, have made substantial contributions in their

respective fields. We deeply appreciate the great strides forward that have been made in such multilateral programs. We look forward to FAO making similar pioneering contributions in programs for better distribution and utilization of food.

Admittedly, the use of food supplies in multilateral programs may mean more complicated operations, but this in no way lessens the desirability of the multilateral approach. No matter how effective national programs and bilateral arrangements may be -- and they are effective and should be continued -- there are areas and functions in which multilateral programs can do the job better. Also, it is important that all FAO members participate in such a multilateral effort. Even very small contributions by developing nations who produce more than their own needs of a certain commodity will serve to broaden the base of active participation and make for a truly multilateral program. In such fashion by participating together we can learn together.

We therefore believe that this Conference of FAO should take definitive action on a multilateral program to use agricultural commodities in areas of need. We favor a program in which FAO would play a major role, with substantial assistance and participation from United Nations agencies. We envisage a program which would involve contributions of $100 million, representing commodities, cash, and such services as transportation. The program should place primary emphasis on emergency relief -- defined broadly enough to include those emergencies arising from chronic malnutrition -- but the program should also include pilot activities in school feeding and economic development.

Such a program will give us the experience necessary to determine the feasibility and practicability of a larger more comprehensive food program. This would require appropriate arrangements within the framework of the United Nations system. Of this we are sure -- our agricultural abundance should be forged into a truly effective weapon in the war against hunger and want.

We are not under any illusion that it will be easy to construct this or any other new weapon for the war against want. There will be resistance and differences of opinion. Nor are we committed solely to any one proposal or any preconceived specific details. We believe that nations and their governments can arrive at mutually advantageous arrangements as they work together toward a common goal.

The United States looks forward with high hopes to the World Food Congress that the FAO is planning for 1963, just twenty years after the meetings in Hot Springs, Virginia that launched this organization. My country now hopes to serve as host to that Congress. We look forward to a food and agriculture congress dedicated to a consideration of all the ways by which agriculture can make its maximum contribution toward ending hunger on this earth, and bring a better living to our farmers.

We are convinced that no nation, however powerful, can win the war against hunger alone. We are likewise convinced that no nation, however powerful, can block mankind's drive toward higher levels of living and toward a world of security and peace, if the free people of the world and their chosen leaders are determined to mobilize their resources and work together toward the goals we share -- toward the achievement of needs

that are common to all people everywhere -- elemental needs of food, clothing and shelter, the basic needs that are provided by agriculture.

This victory against hunger cannot be won in one year, or perhaps even in one generation. But this generation is faced with the challenge of progressing far enough and fast enough toward that victory so that all people everywhere can have a realistic hope for the realization of that goal. The nations here represented can give that hope to the people of the world.

We dare not hold back because of crises, differences, and problems, however difficult they may be. The future of our civilization may well depend on how well we solve these problems.

Let it never be said of men who lived on this earth in this century that they were able to send men into space, but unable to put bread and milk into the hands of hungry children.

Let it never be said that we had the scientific knowledge and the technical skill to produce power sufficient to destroy civilization, but that we did not have the ability, the vision, and the will to use that knowledge to produce and distribute the abundance that science and technology offer to a world at peace.

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NATIONAL AGRICULTURAL OUTLOOK CONFERENCE

Orville L. Freeman, Secretary of Agriculture November 13, 1961

The First Year of the New Frontier and Implications for the Future

As I welcome you at this opening of the 39th annual National Agricultural Outlook Conference I would first express sincere appreciation to those, in Washington and throughout the nation, whose work has brought together the information and analyses that will be presented during the next four days.

Although the U.S.D.A. has collected data since its inception a century ago, and has had specific experience in outlook work for forty years, the tools of outlook have never been better than they are today. Modern science and mathematics, research techniques, and electronic computers facilitate the work of accumulating an unprecedented abundance of economic information. Its analysis and interpretation are in the hands of skilled, experienced and able personnel. It provides us with a frame of reference within which to consider policies and programs to improve the outlook for agriculture in the future.

I am glad to be able to report today that the first year of the New Frontier has clear implications for improvement in the future outlook for farmers of the United States.

One year ago, in this auditorium the outlook for 1961 was summarized as follows:

> "In view of the ... supply, demand and price support outlook, cash receipts from farm marketings and realized net income of farm operators in 1961 are expected to change little from 1960 levels."

This was a gloomy forecast -- gloomy because it offered no hope for improvement of an average farm income that was less than half of the national average -- gloomy because it indicated no expectation of a reversal of the downward trend of farm income as compared with non-farm income.

But, as you know, this gloomy forecast did not materialize. It did not materialize because of action taken by this Administration. One of the reasons for the improved outlook this year is our feed grain program which has succeeded in reducing stockpiles, decreasing costs below what they would otherwise have been, and increasing farm income. I shall have more to say about this program later today.

Because of this and other actions taken during the first year of the New Frontier, net income realized by farm operators is expected to be around a billion dollars more than that of a year ago. The goal of equality of economic opportunity for the farmers of this nation is an integral part of the New Frontier.

The spirit of the New Frontier demands that American agriculture be given the recognition it deserves for its accomplishments: -- for having made gains in productivity substantially greater than the average of all other industry; -- for having provided consumers with better food at lower real cost than at any other time or place in history; -- for having provided the United States with enough of the basic human needs for food and fiber to spare and to share. We recognize that these gains have been impelled, not only by the scientific and technological revolution in agriculture and the educational and extension processes that brought these gains from the laboratory to the farm, but also -- and most importantly -- by the skill, ability and enterprise of the farmers themselves. And we further recognize that these gains have benefited all consumers, and the national economy as a whole, -- while the farmers who produced those gains have suffered only economic loss as their reward.

The spirit of the New Frontier continues to demand that this inequity be corrected.

What, then, are some of the specific implications of the New Frontier for agriculture? Let me enumerate some of them as they relate to matters you will consider in analyzing economic data that is available.

- 1 - An analysis of the outlook for the productive capacity of the farms of this nation indicates that we can produce more than the total amount that can be used at home and sold or distributed effectively abroad, -- and further analysis demonstrates that a very small agricultural overproduction results in a serious drop in farm prices. The spirit of the New Frontier demands that we find ways to effectively gear our production to amounts that can be used.

- 2 - An analysis of developments in Western Europe indicates that Common Market nations are rapidly increasing their own agricultural productivity, and are considering economic arrangements that could have a serious effect on our agricultural exports. The spirit of the New Frontier demands that these developments be taken into consideration in the formulation of our policies and programs.

- 3 - A study of the world food budget and nutritional deficits in nations throughout the world indicates that most of the people fear hunger more than they fear overproduction; and further study indicates to what extent food exports from the United States can help, and to what extent a real solution of their problem must lie in assistance to increase their own productivity. The spirit of the New Frontier demands that we help as much as we can along both these lines, in the interest of humanity and our own security.

- 4 - A study of farm conditions within our own nation indicates wide variations in efficiency and productivity, with nearly half of our farms lacking in the elements needed for efficient agricultural production; and reveals far too many rural communities that lack the educational and employment opportunities that would offer an alternative to subsistence farming. The spirit of the New Frontier demands policies and programs that will offer opportunities to both youth and adults in those depressed areas, -- that will encourage their development into communities of which America can be proud.

- 5 - A consideration of all these problems, in relation to each other and in relation to other public needs, reveals that there is no easy answer; and a study of history and economics reveals that a policy of do-nothing and drift could lead to disaster. The spirit of the New Frontier, in its very nature, repudiates a course of drift and do-nothing. It demands, instead, that we mobilize our best social and economic engineering to meet these problems -- as we have so successfully mobilized scientific and technological engineering to meet, and to solve, the problems of production.

Problems such as those I have mentioned illustrate the challenge presented by the scientific and technological revolution in agriculture.

Research and education have taught the American farmer how to produce abundantly, but they have not yet shown us how to manage that abundance in the best interest of all.

Science has shown us that we can produce more abundantly than we can consume (in both commercial channels and by special programs to provide food where it is needed) but social science has not yet shown us how to engineer this efficient productivity to benefit the producer.

Technological advance has decreed that a constantly dwindling number of farmers, on fewer acres, but with greater investment of such inputs as machinery and fertilizer, can continue to increase total production; but we have not yet determined how to make the best use of those excess acres, nor have we developed programs for maximum benefit of the human beings whose labor is no longer needed by this efficient agriculture.

But the spirit of the New Frontier insists that we cannot allow machines to displace men, either in agriculture or industry, without providing those men with the opportunity to find and qualify for other employment. It further insists that we cannot allow modern economic trends, such as the increased need for capital and credit in farming, to jeopardize the continued existence of our owner-operated efficient family farm system -- a system that has not only developed the world's most productive agriculture, but also represents the best social and cultural values of rural life.

The first year of the New Frontier has demonstrated that we can do more than analyze and interpret the economic outlook, -- we can change it for the better. Its implication for the future is the challenge of social engineering, of directing our abundant productive capacity in the interest of all.

Outlook is essential in the decision making process. As you study, analyze, and evaluate the economic information that will be presented at this conference, I trust you will consider most seriously the kind of programs and policies that we need to meet this challenge.

I should like to make one final point. In this free country of ours, the choices that are essential to meet this challenge lie ultimately with the people. Programs for agriculture can no longer be determined solely by farmers, or even by farm organizations, or by their representatives in the Congress -- although it would certainly help if farm organizations could agree. But today policies and programs for agriculture can be adopted only if they meet with sufficient acceptance by the non-farm segments of our economy. The people, then, will ultimately choose.

And there is one indispensable prerequisite for making a wise choice--and that is an understanding of the problems involved and of the alternatives available. This imposes an added responsibility upon agricultural economists and agricultural leaders. They are challenged not only to wrestle with the problems and arrive at a concensus that to them seems best, they are also challenged to explain the problems and alternative solutions to the public at large.

This is an educational job of no mean proportions. It is a task that has too long been neglected. During this past year I have become convinced that there is no other aspect of our economic life that enjoys so little understanding as the problems of agriculture. A greater understanding is absolutely essential if we are to meet the challenge of a sound agricultural program for the future.

It can be met,--and it will be worth the effort. If we can meet the challenge of abundance in agriculture we can go forward to meet the challenge of abundance that lies ahead in all other fields, along the new frontier.

For the "new frontier" is more than a political slogan. The term itself represents a challenge to all mankind today. Science and technology have progressed so far that there lies ahead, just beyond the horizon, a potential for abundance of which men never dared to dream in years that are past. We are being thrust from an economy of scarcity into an economy of abundance faster than we have been able to adapt our thinking and our institutions to such a revolutionary change. Serious problems result from this lag in adjusting our social and economic thinking. These are problems that must be overcome in the conquest of the new frontier.

The scientific and technological revolution has presented us with potential power to produce and with power to destroy. The challenges of the new frontier are in the fields of social, economic and human relations. They demand that we direct our ability, vision, and will to the end that the scientific knowledge

and technical skill that is now at hand will be used--not to destroy civilization--but to produce and distribute the abundance that science and technology now offer to a world at peace.

U. S. Department of Agriculture
Office of the Secretary

LET'S KEEP MOVING FORWARD

Thank you, Governor Nelson. It is appropriate that this White House Regional Conference is being held in a state that has originated so much good government ... and on a University campus where intellectual freedom and the search for truth have become such a tradition.

In calling this Conference -- and others in more than a dozen cities coast to coast -- President Kennedy pointed out that the recent Congress "has made substantial progress toward strengthening the economy and advancing the well-being of our citizens."

He said, "It is important to the cause of good government and continued progress that the people be well informed on these public matters. It is equally important that Federal officials seek the views of state and local officials, as well as those of interested individuals, in making plans for future developments."

I know of no subject that cries for understanding in a more urgent voice than does the subject of farmer welfare, the relationship of agriculture to the public, and the responsibility of Government to agriculture. I hope then that we can take a hard look at this question today -- and that we can see beyond the expedient and the opportune.

Address by Secretary of Agriculture Orville L. Freeman before the White House Regional Conference, Madison, Wisconsin, November 13, 1961, 3:45 p.m., CST.

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Over a period of some 40 years, the so-called farm problem has engaged the attention of rural leaders, farm economists, and the administrations of a half dozen presidents. In recent years, it has gathered a great deal of urgency -- and it is in this context that we find ourselves today wrestling with problems we did not create ... in a world that allows little margin for failure.

This is a time for bold approaches toward real solutions. It is no time for retreat to expedient measures that offer only a continuation of our difficulties. We have, I submit, moved boldly and successfully this year in the development of new programs that deal realistically with our price and supply problems. And this Administration stands firmly on the ground we have won in the battle with those old antagonists.

I must say, however, that retreat does have its advocates. And for the most part, they are the same men who presided over the futility of the fifties in farm policy. More than most, they had the opportunity to create constructive programs that would have headed off our present difficulties. Failing to do that when they had the chance, they now advocate a retreat to those policies and programs of the past administration ... a return to failure.

The urgency of our situation today has its roots in the revolution that is taking place in agriculture ... the marvelous growth in technology that has sent farm production racing ahead of demand. Our nation's inability to cope with abundance has brought a twin dilemma: The accumulation of vast stores of some commodities at great government expense. And a steady decline in farm income that has inflicted unfair hardship on those who produce for our most essential needs.

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Meanwhile, the production costs associated with farming have continued to rise. Our general price and income levels have continued to rise -- and the farmer's relative position in our society has, until this year, grown steadily and discouragingly worse.

In 1952, farm costs and farm prices were pretty well in balance -- at about 280 percent of the base period, 1910-14. During the remainder of the 1950's, these lines moved farther apart. By 1960, prices had fallen to about 230 percent of the base period -- and farm costs had risen to an index of about 300. Hence the cost-price squeeze.

This, during a period when the income of non-farm families has moved steadily upward. In 1960, the per capita income of farm people was only $986, compared with $2,282 among non-farm people. The average return for farm work was only 82 cents an hour. That's far below any decent standard of minimum wage -- and it's a little more than a third of the average wage for factory work in America.

That is a situation that cannot be permitted. We would not permit it for any other group -- we must not permit it for farmers.

When this Administration came into office in January, it did so with a commitment to do something about farm income ... and to do something about the excessive commodity stocks which for several years had flowed without interruption into Government hands.

The Administration's actions are well known. First, price supports were raised on a number of commodities to bring prices to a more respectable level. We then moved to do something about feed grains -- to improve income,

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to halt the build-up of stocks that in eight years had placed feed grains among our leading "problem" commodities, and to reduce costs to the Government.

The result was the 1961 Feed Grain Program, which provided incentive payments for growers who diverted corn and grain sorghum acreage into soil conserving uses. In a period of a few weeks, America's farmers agreed to take out of production a fourth of their grain sorghum acreage and a fifth of the corn acreage. Quite an achievement in farmer cooperation!

Just how successful have these actions been -- the Feed Grain Program and the raising of price supports for several commodities?

First, let's consider income.

Net farm income this year is running a billion dollars above last year. That is an increase of about 9 percent over last year's 11.7 billion dollars.

This rise in farm income has meant much to America. To thousands of main streets, it has helped to bring new life and new bustle. In many a factory far from a farm, it has helped make wheels turn in the manufacture of equipment and materials for agriculture. We may never know just how much this has had to do with the general upturn in the nation's business this year -- but I have no doubt the effect has been considerable.

So there can be no question that one of our chief goals -- the improvement of farm income -- has been achieved. Yet the fact of an increase in farm income is seemingly of slight importance to the advocates of retreat. In their lexicon, the farmer's welfare is of such small moment as to be widely and pointedly ignored throughout the literature of their speeches and planted articles.

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To this Administration, the farmer and his family are important -- and will continue so. They will continue to be keystones in the Administration's farm policy.

What about our second major objective -- to halt the buildup in Government owned feed grains?

The answer is this: As a direct result of the 1961 Feed Grain Program, our feed grain production this year will be below our needs for the first time since 1952 ... resulting in an actual decline in Government stocks after 9 straight years of buildup.

This, I must emphasize, is an historic event -- the long-awaited beginning of a downward movement in Government feed grain supplies. Here again, the reversal of a trend of several years -- yet widely ignored in the fulminations of those who seek political advantage through misrepresentation.

We will produce, according to the latest crop report, a little more than 4 billion bushels of corn and sorghum grains. If we had not had the Feed Grain Program, the exceptional growing weather in the Midwest this year would have resulted in a crop of some 4.85 billion bushels of these two grains. Under the old program in effect last year, such a crop would have added about half a billion bushels to CCC stocks instead of reducing stocks some 300 million bushels as the Feed Grain Program will do.

This downward adjustment means a saving of the 1.4 billion dollars it would have cost to acquire that grain and carry it for the 9 to 11 years it would have remained in Government hands. Subtract from that the $768 million being paid in diversion payments this year -- allow for some salvage value of the grain after many years -- and there is a net saving of at least a half-billion dollars.

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There can be only one fair minded conclusion: The 1961 Feed Grain Program has halted the build-up of Government feed grain stocks ... and brought a large net saving to taxpayers.

Because of the success promised by the Feed Grain Program, Congress in the Agricultural Act of 1961 extended this program to 1962, with the addition of barley. The Congress also enacted for 1962 the new Wheat Stabilization Program, designed on the same principle of incentive payments for acreage diversion.

Wheat is -- along with feed grains -- a major problem. The Commodity Credit Corporation now owns nearly 1.3 billion bushels of wheat, and has outstanding loans on another 100 million bushels. This is more than an entire year's supply -- both domestic and export. Besides, under the old program in effect this year, we could expect to add as much as 100 million bushels to government stocks from the 1962 crop -- then keep on adding year by year.

The Wheat Stabilization Program provides a way to increase grower income from the 1962 crop, while saving the cost of large government acquisitions and the costs of storage and handling.

These programs, extending through 1962, are temporary. We will need, next year, new legislation to further our long-term objectives of a balance in production and consumption ... and fair returns for farmers ... without the continued need for unreasonable and unpredictable budget commitments.

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What are the alternatives?

There is still heard the occasional cry that all farm programs should be eliminated -- not, I think, from those who are really concerned about farmers and knowledgeable about their problems. Nevertheless, there are some who advocate the removal of all programs from the farm economy.

Get the Government out of farming -- let farm prices "seek their natural level" -- that's their plaintive cry. What do they mean by natural level? They don't say -- rock bottom perhaps. Certainly, when a farmer buys fertilizer, fuel or machinery, there is nothing said about selling them at the "natural level." The farmer buys at set prices ... with little bargaining power on his side.

Fortunately, we are not without authoritative studies as to just what would happen if price supports and production adjustment programs were dropped. In 1959, the Senate Committee on Agriculture and Forestry asked economists in the Department of Agriculture to make a study. About the same time, Iowa State University undertook a study of the effects on the feed-live stock economy. Economists at Cornell went into the same subject. And the Joint Economic Committee of Congress asked several economists from different areas to make a similar study in 1960.

The results -- developed by men in different areas and of different political leanings -- all showed the very same thing:

Farm prices and income would fall quickly and sharply if current farm price support and production programs were dropped and a policy of "no programs" were put into effect. The result would be a farm depression that would not only hit producers of supported crops -- it would seriously affect

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producers of poultry and livestock products. And -- make no mistake about it -- it would have a severe effect on business people who serve rural areas.

The several studies showed minor differences in just how far farm prices would fall. But there was no disagreement that -- without price and production programs -- there would be a prolonged period of depressed incomes that would affect all who deal with agriculture -- and indeed our entire economy. In fact, we could expect a general decline in commodity prices, over the long run, of almost a third. Net farm income would drop even more.

Two of these projections are through 1965, and two for lesser periods. None provides for a farm economy entirely without Government participation. Nevertheless, a simple average of these studies offers some interesting comparisons -- between average prices this year and the average prices that could be expected within four years without control of supplies.

Wheat prices, for example, would be sliced almost in half. The price would drop from an average of $1.78 to about 92 cents. Corn prices would decline some 21 percent -- from $1.01 a bushel to about 80 cents.

The price of oats could be expected to drop from its 1961 level of 61 cents to about 45 cents in 196 -- a decline of more than a fourth. Barley prices would drop about 28 percent -- from 88 cents to 63 cents.

Soybean prices, by 1965, would decline almost a dollar -- from $2.58 a bushel to $1.59 -- or 38 percent. Grain sorghums would move downward some 22 percent -- from $1.58 to $1.23 a bushel.

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Dairy producers -- already sorely pressed in many areas by the high cost of labor and equipment -- would have to withstand a drop of 17 percent in milk prices -- from $4.14 cents a hundredweight to $3.44. How many milk producers could go through that kind of a wringer and survive?

Those are commodities that are now under price support -- and no one can argue but that these prices would dive quickly and sharply under a "no program" policy. Many people assume, however, that the non-supported commodities such as livestock and poultry would not be hurt -- or that they might actually benefit.

The truth is that our livestock-poultry-feed grain complex is so intertwined that the non-supported commodities would also be hurt, and hurt severely. As a matter of fact, the weighted average price decline is no less than 24 percent for the six livestock commodities covered in these studies.

Egg prices, for example, would decline 20 percent -- from the 1961 average of 35 cents a dozen to 28 cents.

Cattle prices would drop more than a fourth -- from an average 1961 price of $20.20 a hundredweight to a 1965 level of $14.77. Hog producers would be hurt even more. Hog prices would decline from $16.80 in 1961 to $11.75 in 1965 -- a whopping 30 percent.

Broiler producers are already experiencing a severe depression -- with this year's prices at the hardship level of an average 15 cents a pound. In a "no program" situation, the broiler industry would have little chance to recover. By 1965, in fact, it would be up against prices even slightly lower than the depression levels of this year.

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Turkey prices have also been low this year -- yet the 1961 average of 22 cents would decline to 18 cents by 1965 under our hypothetical situation of no price supports and no production programs.

These estimated declines represent the judgment of leading students of our farm economy -- and they are actually conservative since some of the studies assume the retention of certain removal and other Government programs. Meanwhile, no reliable authority has come forward to support the often-made claim that low farm prices would eventually disappear and be replaced by stable free market prices at good levels.

The cold fact is that agriculture would be forced through a permanent transformation that would leave it unrecognizable by any present day standard. And it would bring dramatic and far-reaching changes to small town business and farm-related industry, too, dramatic and far-reaching changes.

A second alternative is a return to the programs of the past few years. These programs provided guaranteed levels of price support with little or no attention to supply management. This, we are told, would be far cheaper than this year's program of using incentive payments to reduce production.

Perhaps the best way to judge what would happen would be to review what actually did happen under exactly that sort of program in the eight years preceding 1961. At the end of 1952, the Government had invested in loans and inventories of price supported crops, less than 2.5 billion dollars. In the next eight years, that investment grew to more than 9.2 billion dollars under the very kind of programs that we are now told we should return to.

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In those years, Government inventories of wheat grew from 132 million bushels to more than 1.1 billion bushels. Government corn inventories grew from 280 million bushels to almost 1.5 billion bushels.

Those are the facts -- cold, hard statistics that can hardly be ignored or denied. The great commodity build-up came during a period when those who are second-guessing so loudly today were in a position to do something about it. Eight years of opportunity -- and inaction -- while inventories burgeoned and government costs rose to such a high level that all farm programs were placed in jeopardy.

We know that a return to those programs would continue this rise in Government obligations -- there can be no question about it. We've seen it happen year after year under exactly those programs.

Just how much inventories and costs would rise over a given future period -- is harder to determine. Yet, with the aid of history and the best estimates, we are able to arrive at some significant comparisons. We have made these comparisons between:

(1) On the one hand, a return to the programs of the past few years with their chronic budget distress ... programs that provide an open-end commitment to support prices virtually without regard to the need for adjusting production to need.

(2) On the other hand, new long-range programs that provide an orderly adjustment of farm output to demand at prices that provide fair returns. The temporary programs developed by this Administration in 1961 reflect those goals, and so far, have achieved those results.

It seems likely that, under the old-type program, CCC expenditures would rise by 1967 to a level more than a billion dollars a year above 1963. The expenditures in fiscal 1963 would be at a relatively low point, reflecting the smaller feed grain crops being produced this year.

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On the other hand, when we project CCC expenditures for price support under the assumption of new programs of the type we have outlined, we find that annual expenditures would decline perhaps a billion dollars by 1967.

Using the same kind of projections to show the rise in grain inventories -- we find that, under the old program, the wheat carryover would rise something like a billion and a half bushels between 1963 and 1967. Under the new program, the wheat carryover could be decreased by a half billion bushels in the same period.

The corn carryover, under the old program assumption, could be expected to rise almost a billion and a half bushels between 1963 and 1967. Under the new program, it could be decreased by more than a half billion bushels in those four years.

It seems clear that the only realistic alternative, in developing farm programs for the future, is to take the road that promises a long-range solution to our twin problems of low farm prices and high public costs. This envisions farm programs that do these things:

1. Reduce farm output to a level in line with our needs for domestic use, export and the meeting of our international commitments -- at prices that permit fair returns to farmers.

2. Provide some further reduction in output of grains, particularly, to permit Government stocks to be reduced gradually to manageable levels.

3. Then adjust output to the rate of demand expansion, so that we do not again slide into the awkward and costly situation we are in today.

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This approach is embodied in the new programs developed in 1961 -- the Feed Grain Programs for this year and next, and the Wheat Stabilization Program for 1962. These programs are not the final answer. May I remind you that they are temporary. May I remind you even more emphatically that without new legislation in 1962, we will automatically revert to the unsuccessful programs that were in effect the past few years.

We must therefore have new programs that go beyond 1962 for wheat and feed grains. We also must deal realistically with additional commodities that are either in distress, or which are resulting in unreasonable costs to the public.

We must therefore push for new legislation in 1962, and not -- through indecision or expediency -- slide backward into a program that offers no solutions but only creates further problems.

And let us not be confused by the question of cost, which is being widely distorted. Our diversion payments to reduce feed grain production this year -- totaling some 768 million -- have brought loud and indignant outcries from those who have been opposed right along to all kinds of supply management.

In this, they choose to ignore our long-range saving of 1.4 billion dollars -- money we won't have to spend for the acquisition and handling of excess feed grains from this year's crop. We are in fact paying at a rate of $500 million a year currently for the mistakes of the last eight years on corn and sorghums alone.

The assumption that the emergency program places too much of the burden of adjustment on our current budget is a fallacy.

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The fact that the Feed Grain Program is based on payments-in-kind means that the Government moves CCC grain into the market to provide the cash with which diversion payments are made. This has the effect of reducing the budgetary expenditures involved.

In fact, those expenditures this fiscal year will actually be below what it would have cost to provide price support for the big feed grain crops we would have had under a 1960-type program. What I'm saying is this: Net budget expenditures this fiscal year will be lower under the present program than they would have been under the Benson program. And that will be true next fiscal year, as well.

The point is that the acquisition of huge excess stocks this fiscal year -- under a program like we had last year -- would cost us more, substantially more, than the net budget expenditures involved in this year's payment-in-kind program.

So there you have it. The claims of waste and extravagance in this program are made up entirely of fallacy and misrepresentation. Here's another tall one:

The advocates of retreat tell us that the high acre yields of corn and grain sorghums this year are the result of the Feed Grain Program. In other words, farmers "beat the program" with heavy fertilizing and close plant spacing. This ignores the good weather experienced this year, and the generally rising trend in acre yields.

It might be fairly argued that in some cases farmers got larger acre yields from their reduced acreage than they would have gotten from a larger acreage. But it is just as fair to argue that -- without the program -- farmers would have planted even more acres than they planted in 1960 -- and this year's crops would be even greater than we can now imagine.

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In fact, a poll of farmers in Iowa indicates that very thing. They would have increased acreage of both corn and soybeans by 10 percent had the Feed Grain Program not been in effect. As it was, they reduced acreage and cooperated in the program.

At any rate, anyone who is familiar with the fantastic corn weather in the Midwest this summer knows perfectly well that the 1961 corn crop, without an acreage reduction program, would have set new records, going away -- well over 4 billion bushels for corn alone.

These are not easy times. Yet we owe it to the future to deal now with problems that need to be dealt with now -- not to postpone action. It is the part of courage to face up to the challenges in agriculture ... as this Administration is facing up to today's challenges in the affairs of the world.

What about the future of agriculture? Farm income in balance with non-farm income, or out of balance? A level of government costs that we can live with, or not? Critical questions -- and it seems to me there is only one answer: New programs that pay off in lower government costs, a balanced supply situation, and fair farm prices.

Let us not yield to expediency. Let us meet our responsibilities fully and with resolution -- even when the way is hard.

By dedicating ourselves to the goals we have before us, we can achieve progress and equality for agriculture -- without abdicating our obligation to taxpayers for realistic programs that are fiscally responsible.

This is no time for retreat. This is a time to move boldly forward.

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USDA 3714-61

U. S. Department of Agriculture
Office of the Secretary

Statement by Secretary of Agriculture Orville L. Freeman:

My overwhelming feeling on returning home after visiting a dozen countries in Europe, the Middle East and Southeast Asia is one of thankfulness for the productivity of American agriculture.

The greatest single source of strength in the struggle to insure that freedom prevails around the world is the success of American agriculture and the American farmer. It is the strongest deterrent to the spread of communism because the contrast between American agriculture and that of the Communists is apparent to the whole world. To those nations where farming is the primary occupation for 60 to 80 percent of the people, the failure and inefficiency of the Soviet agriculture and the collapse of the commune agriculture in Red China is an ever present symbol of the difference between Democracy and Communism.

It was my opportunity to contrast American and Soviet agricultural actions in two respects. First, while the United States was sending a team of agricultural experts to analyze the needs of developing nations -- to which our people already had made $9 billion of food and fiber available -- the Soviet Union was spewing radioactive poison into the atmosphere.

Second, I emphasized repeatedly that the overwhelming success of family owned and operated farms in this country makes it possible for one farmer to feed 23 Americans and three other persons elsewhere around the world. I stressed that the success of the American farmer stands in sharp contrast to the problems of Soviet agriculture where one farmer can feed only six people, and where 45 percent of the labor force is needed in farming.

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3346 USDA 3787-61

Nov. 16, 1961

I am more strongly convinced than ever before as a result of my observations and those of may associates on this trip that we must make even better use of our agricultural resources than we have in the past. These resources must be used vigourously to feed hungry people and to help them do a better job of meeting their own food needs. In the process of doing this, we will develop new markets for our products.

It is clear to me that there is a great future for U. S. agricultural exports in the markets of Asia, and we should begin more intensive development work there.

There is an unlimited and, as yet, unexplored potential in the growing market in Southeast Asia for wheat. The wheat associations are beginning to push out in this area, but there are substantial opportunities through feeding programs, school lunch programs and other promotional programs to further the acceptance of wheat as a staple food item.

Our agricultural resources also must be directed towards helping the farmers of other nations obtain better incomes from agriculture. Farmers everywhere -- in Europe, in the United States and in the Far East -- are underpaid. The reasons may differ -- poor marketing, over production or under production -- but the result is always the same.

In the developing nations that we visited, I was encouraged to see that government leaders and provate citizens are beginning to recognize that economic growth must either be preceded by or accompany an expanding agricultural economy. In the long range economic plans in country after

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country, the emphasis was being shifted from industrial expansion to support for expansion in the farming sector.

The need for assistance from the United States was stressed repeatedly, and everywhere the request was for more technical assistance rather than for increased dollar expenditures. In India, for example, one of the large agricultural regions has only five agricultural technicians to assist seven million farmers. In all of East Pakistan, only three agricultural technicians are available to work with the farmers.

Dollar aid alone will not insure economic growth of the kind which will promote the growth of freedom and democracy, for economic growth is indifferent as to the outcome of those issues with which the security of freedom and democracy is most deeply involved.

The one obvious need in the developing countries is for the political, social and economic institutions which in the more highly developed nations have made possible the development of adequate capital, marketing facilities and opportunities for full use of human and natural resources.

We need to provide more and better technical experts who can help build in agriculture and in other fields the institutional structures which not only will lay the basis for economic growth but also will insure the participation of the people in the development of their country and in the fruits of that growth.

In agriculture, this means the kind of institutions -- schools, community centers, cooperatives for marketing and credit, and Extension service, viable farm organizations, for example -- which provide the

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individual some hand in shaping his own destiny and which spread opportunity and citizenship among the people.

The economic position of the farmer in the developing countries also can be strengthened directly through the use of our food abundance to create and support some of these institutions.

Specifically, we can substantially expand school milk and school lunch programs in the villages where there are schools to provide the children with enough energy for mental and physical exercise. In many instances, even where there are no schools, plans could be worked out with the local government whereby we would provide food as wages to the farmers and villagers to build schools.

In addition, the payment in food for wages can be used to build roads, hospitals and other community facilities.

American agriculture has made and is continuing to make significant contributions to the security of freedom and democracy around the world. In India, our party was told by an official that neither the industrial progress the United States had made, or the mass of consumer items which have been made available because of this progress, or the fact that the Russians were shooting rockets to the moon had impressed the people of India as much as the fact that the American farmer could produce more food than the American people could consume.

By sharing the resources which make this possible, the United States will be using an instrument for bettering the conditions of people everywhere which only is available to us.

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U. S. Department of Agriculture
Office of the Secretary

2 NOV.

Secretary of Agriculture Orville L Freeman today told the National Grange that if Western Europe's Common Market agricultural policy, as the negotiations now stand, were put in effect today the U. S. would not have markets comparable to those now in existence.

He said that the Department is carrying on a twin campaign of negotiations and aggressive trade promotion to maintain dollar export markets for U. S. agricultural products.

"In the past month, I have met four times with representatives of the Common Market nations -- in Brussels and in Paris -- where I expressed to them this country's deep concern regarding adverse effect that the Common Market agricultural policy may have on our markets in Western Europe," Freeman said.

"I can assure you that the whole administration has made it abundantly clear to the Common Market representatives that their present proposals would not give us continued reasonable access to markets.

"We have emphasized to them that protectionism, if it is fostered in Europe, will spread to other parts of the world. We have made it clear that we cannot follow liberal trade rules in our country for agriculture and tolerate restrictive treatment by other areas.

"The United States has supported the formation of the Common Market because we believe that regional economic integration will strengthen the Free World on an overall basis.

Remarks prepared for delivery to the National Grange convention by Secretary of Agriculture Orville L. Freeman, Monday, November 20, 1961, 7:00 p.m., in Worcester, Mass.

3374 USDA 3834-61

"The purpose of the Common Market, as designed by the six European nations which have organized it, is to progressively eliminate tariffs and other barriers to trade between themselves and to adopt a common level of protection to govern trade with outside countries.

"The goal is to permit the free movement of labor and capital and commerce, and to assure the same kind of commercial activity that would be carried on if the member countries were states of a bigger nation.

"This kind of economic union has contributed to higher levels of economic activity and to rising standards of living, and this is in line with American expectations and hopes.

"But in giving strong backing to the concept, the United States has continually urged member countries to adopt liberal rather than restrictive measures to govern trade relations with outside countries.

"And the Common Market has stated repeatedly that it intends to follow liberal trade principles in its relations with exporting nations outside the European Economic Community.

"The present six member nations -- France, West Germany, Italy, Belgium, Netherlands and Luxembourg -- make up a bloc which represents the world's leading importer of agricultural commodities. In 1960, U. S. farm exports to the Common Market had a value of $1.1 billion.

"There is no question that the Common Market is a dynamic and growing economic union. Undoubtedly, other European nations will join. The United Kingdom, Ireland and Denmark already have announced their intention of seeking full membership. Other Western Europe nations likely will seek membership or association.

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"The Common Market could eventually include countries which are now aggregate customers for well over $2 billion worth of U. S. farm products."

Secretary Freeman said the U. S. has expected that all segments of the American economy would benefit from the increasing prosperity of the Common Market, and while many of these expectations have been realized, the outlook currently for agriculture is not bright.

"Protectionism is in the air where agriculture is concerned in Europe today," the Secretary said.

He noted that the problem had two sides:

*In grains and livestock products, the Common Market is proposing a variable levy system.

"If there are no limits on this system, it would effectively offset any competitive advantage that outside agricultural suppliers may have," the Secretary said.

*For other products, such as tobacco, the Common Market is proposing higher tariffs than the U. S. now has to surmount in our exports to the six member nations.

"The effect of the variable levy system plus higher tariffs would be to insulate the agriculture of the Six from outside competition. Although the effects would be gradual, in a matter of some years the result would be a serious drop in our exports.

"As matters now stand at the negotiations currently being conducted in Geneva, the U. S. would not have markets under a European Economic Community comparable to those we have today.

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"We have not asked the Common Market to let us share in the growth of their market in relation to the variable fee items. All we have asked is to let us hold the markets we have already built. We do not think this is an unfair approach.

"We do believe that it is intolerable to the American farmer and to the food industry that the U. S. should not have access to at least its historic market.

"Well over half of all U. S. commercial exports of farm products go to these countries, and we should insure that U. S. agricultural exports are able to continue to enter these markets under reasonable trading conditions.

"This effort is important not only with respect to the economic interest of our farmers, but also to the strengthening of a world trading system which is trade expansive rather than trade restrictive, and which encourages understanding among nations."

The Secretary noted that the Department is following an aggressive trade promotion program in Europe as a companion effort with trade negotiations to develop export markets.

"The last event I participated in before returning home from the tour which took me to a dozen nations was the opening in Hamburg, Germany, of the largest food trade fair ever held by the Department.

"On opening day, between 10,000 and 15,000 persons attended, and supplies which had been expected to last a week were exhausted after the first day.

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"Let me read you a telegram report of the weekend following the opening day.

"'The food fair took Hamburg by storm over the weekend. With perfect fall weather, crowds unprecedented in the history of this exposition grounds turned out. Gates were closed at intervals both Saturday and Sunday to avoid exceeding capacity of the exhibit.

"'Lines waiting to buy tickets backed up for several blocks, and extra police were needed to direct crowds. Audience reaction continued generally favorable despite dense crowds. Interviews indicate that many fair-goers remain in the exhibit two hours or more to enjoy all exhibits.

"'Germany's biggest daily newspaper called crowds completely unexpected and said Hamburg people are demanding that the show be extended.'"

Secretary Freeman said the Hamburg show was the first trade promotion exhibit of American food and agricultural products exclusively, and that commercial exhibitors participated for the first time by renting 54 exhibit stalls. More than 150 food manufacturers furnished over 1,500 products for the show.

"In recent years, the trade promotion program carried on by the Department in cooperation with domestic producers and exporters and with many trade associations has produced dramatic results.

In the past five years, for example, exports of poultry to Europe have increased 127 percent. Soybean exports during the same period have tripled because of a strong promotional program in Europe and Japan -- and we are now moving into South America. Rice exports have shown a ten-fold increase in Europe. Tobacco exports to Japan have more than doubled.

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The Secretary stressed to the Grange convention that the administration also is looking to long range market development, particularly through efforts to apply American agricultural resources to assist developing nations throughout the world.

He said the Food for Peace program -- which has made available some $9 billion in food and fiber to developing nations -- has helped to strengthen and develop the economies of many countries.

He noted four particularly useful purposes the program has served:

*It has fed hungry people, and has encouraged political stability in some countries.

*It has facilitated economic planning in countries by assuring food supplies over specific periods of time.

*It has enabled countries to control inflation by stabilizing food prices.

*It has met emergency conditions of malnutrition and starvation.

In his visits to countries receiving food under this program, the Secretary said he emphasized that the U S. does not consider this a program to dump agricultural commodities.

"This program represents food which has to be grown by the American farmer and paid for by the American taxpayer. As such it represents an investment -- a sacrifice -- which the American people are willing to make in securing a better world."

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Secretary Freeman noted that the goal of all programs to apply agricultural resources to assist the developing nations is to make it possible for these people to meet their own food needs through a strong internal economy.

"This means not only a more productive agriculture in these nations, but also a level of economic development which permits them to buy the food and fiber they cannot grow for themselves."

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USDA 3834-61

U. S. Department of Agriculture
Office of the Secretary

KNOW YOUR LAND--THE CHALLENGE OF CONSERVATION EDUCATION

I am happy to have the opportunity to participate in this program where you and I share a common interest and where your objectives and mine are the same -- the achievement of a broad and clear understanding by all people of the importance of conserving our basic natural resources -- our soil and water, our plants and wildlife. The importance of these resources to all of us is evidenced by the living standards we Americans enjoy and which is supported by the most efficient agriculture the earth has ever known.

You people here are experts in getting this story told to our fellow Americans through the classrooms of the nation and in our textbooks. I know that in the discussion that follows the panel will bring out some of the ways that will be most effective in telling this most important story. I will not try to improve on that. But I would like to talk to you a little about this story we are trying to tell which, I am sorry to say, seems to be so greatly misunderstood by so many.

In our society the science and the art of good land use has flourished and advanced to undreamed of levels of production. But in the lexicon of human disaster the word "famine" is not yet obsolete. Even in this age of the scientific breakthrough, even as man reaches out to new planets, three-fourths of the people on this planet still struggle day in and day out to get enough to eat. For them the quest for food

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Address by Secretary of Agriculture Orville L. Freeman at the meeting of the Washington, D. C. Chapter of the Soil Conservation Society of America, Jefferson Auditorium, United States Department of Agriculture, November 27, 1961

remains infinitely more important than the quest for space.

And yet today, for the first time in all history, it lies within man's power to banish the specter of hunger forever from the earth. This we have demonstrated. In our free system, initiative and skill have combined with science and technology to prove that the end of man's quest for food -- the ultimate goal of enough-to-go-around -- is at last in sight. The achievements of the American agriculture in the science and art of good land use beckon the imagination, challenge the initiative, and sustain the hope of people everywhere.

It is high time the vast urban majority in our industrial society get the facts straight about the dwindling agricultural minority whose productive genius enables this nation to be better fed and better clothed than any other in the world. In a society that glorifies efficiency, the farmer in the last ten years has increased his output at the annual rate of 6.2 percent; the rate in non-agricultural industries was 2.9 percent -- not even half as much. Output per man hour in agriculture in 1960 was more than three times what it was in 1940, and almost double what it was in 1950. In short, while the farmer ranks down at the bottom of the index of income, when it comes to productivity, he is up at the top.

What the household budget-keeper doesn't realize is that the retail cost of her typical market basket of U.S. farm-grown goods -- for example -- has risen only 12 percent while <u>marketing</u> costs have gone up 36 percent. She doesn't understand, I feel sure, that the

farmer's share of the dollar she spends for U.S. grown foods has decreased by 22 percent since 1949. And that the farmer gets not the 51 cents he got 10 years ago, but only 39 cents out of the food basket dollar.

So much for the consumer. Now a comment as to the farmer and the total economy: I would remind industry and business that the farmer spends 25 to 26 billion dollars a year for equipment, goods and services needed to produce the country's food and fiber. He and his family spend another $15 billion a year for ordinary living items -- everything from teacups to TVs.

Now you may be wondering at this point what all of this has to do with conservation, and may I respectfully say to you, that it has everything to do with it. I believe that conservation is a matter of people as well as principles and practices. And if we are concerned with the conservation of resources -- as we surely are -- we must begin it seems to me, with concern for the people who use these resources -- the people who are, in a very real practical sense, their custodians in our time.

These are the farmers and ranchers of America -- who own and use 1.1 billion acres of cropland and pasture, rangeland and woods, upland and lowland, marsh and mountainside, that makes up the thousands of watersheds, that make up the hundreds of river basins that add up to the most precious resources of soil and water, forest and

wildlife that we are determined to conserve.

I make this point, quite frankly, because I believe it is incumbent upon you and me to look at the problem of land use and resource conservation, in human as well as technical terms. The farmers and ranchers of this country are the people who will conserve our soil and water if it is to be conserved. We have the finest technicians here in the Department of Agriculture that you will find anywhere. They know the answers to virtually all the physical problems involved in managing and treating every conceivable kind of soil erosion and management problem. But technicians are not going to personally manage any land or conserve any soil. It is these farmers and ranchers, over three million of them, in whom is placed the responsibility of planning and carrying out the most important conservation program of our time.

We know that good land use pays off. But we also know that it costs money to make changes in land use no matter how efficient or profitable these changes may be over a long period. Conservation farming not only means correct land use -- it also means making use of a variety of practices that may be used in innumerable combinations. What is best for one farm may not suit at all on another since each farm is made up of a different conbination of soils from every other farm. No one conservation plan can be devised that will fit all farms and thus be adopted in assembly line fashion by all farmers. Rather, each conservation plan must be tailored to fit

each farm and ranch, understood and applied by each farmer and rancher on his own land.

I point this out to you in order to show you that the success of our soil and water conservation program will always be in direct proportion to the ability and willingness of land owners and operators to carry it out. An agriculture harassed by sub-standard levels of income -- with all that that implies in terms of priorities of outlay -- is less likely to be willing or able, to use the land as it should be used.

It would seem, then, that we need to face the physical problem of land use. But at the same time we must recognize the economics of production adjustment as well as the social necessities of rural rehabilitation. We must consider all these together conscious of the interrelationships between them.

I believe it is safe to say that an efficient agriculture depends on an abundant supply of well managed soil and water resources. And at the same time the conservation of these resources depends on an efficient and prosperous agriculture. And while these two forces work to support each other the benefits of a total conservation program spread to the entire economy. Programs designed to maintain soil productivity also serve to relieve or eliminate rural areas of chronic distress, to enlarge and improve facilities for recreation, to harness our rivers against floods, and to provide for orderly urban and industrial expansion.

This is illustrated rather well in the little town of Culpeper, Virginia, which is only a few miles from Washington. In September I helped dedicate a small watershed project there which combined the efforts of the farmers and the town people in a program of land use and conservation and flood prevention. It illustrates the inter-relationship between conservation and rural rehabilitation, between water development, recreation, industry, and all the values involved.

Culpeper was harassed by the dual problem of unreliable water supply and recurrent floods. These caused thousands of dollars damage annually to roads, streets, bridges and to the town in general.

Finally, the town fathers joined with the local soil conservation district and applied to the Department of Agriculture for technical and financial help in carrying out a watershed project. Costs were shared by the town, the farmers in the watershed, and the Federal Government.

The project called for an intensified conservation program on the farms and woodlands of the watershed, plus a system of three earthen dams on tributaries upstream of the town. Two of these dams were purely for flood prevention, catching flood peaks and releasing water gradually in a flow that the stream channel could handle.

The third served several purposes. In addition to checking floods, it provided permanent storage for about half-a-year's supply of water, which could be released to supplement the town's normal supply.

Now complete, the project has produced these results:

A 75-acre lake behind the storage dam has added a tremendous recreational asset to the community.

The assurance of a stable water supply has encouraged three new industries employing some 500 people, to locate in Culpeper.

Bottomland in the city that was formerly worthless because of periodic flooding, is now the site of a thriving shopping center.

Farmlands in the watershed are marked by improved pastures and woodlands, grassed waterways and strip-cropped fields--visible evidence of a conservation program tailored to fit the needs of each field.

This integrated conservation program at Culpeper has brought direct, present, tangible benefits in the form of better recreational opportunities for the community as a whole, added industry and jobs, new business enterprises, better farms, protected soil resources, and freedom from the perennial damage of floods. If you will only project this into a national focus you can see what integrated planning and action can do to produce similar results for the country as a whole.

But let me ask you this: Do other people of this country know the Culpeper story? Does the American public generally understand that this kind of conservation pays off in practical values today as well as in the future? I don't think that it does. We have an enormous job of education to do--you and all of us--before the millions of people in the cities of this country know the land that is their heritage, understand what conservation really means--what it means to them--as well as to their children.

We have also the job of telling them how the abundance from our farms and ranches can be used to win friends for us throughout the world by helping to feed the hungry. And how, by sharing our technical know-how we can help other countries become better able to feed their people.

We must reach today's and tomorrow's generations of citizens with this story for, in the last analysis, they will determine the future of conservation, in these United States. Their understanding of the values

involved--their appreciation of the present and future economic and social rewards--will be the decisive factor in maintaining a forward-looking, adequately financed conservation program. Of course, they have the right to ask questions; and they deserve answers; and it is up to us to produce the facts that lead to understanding.

While we have a lot to be proud of we must not be complacent. We are faced with every kind of water problem--flood, scarcity, and pollution. Far too much of our productive topsoil is being washed or blown from our cropland and rangeland. Lakes and streams are being filled with silt. We have 50 million acres of forest land in need of planting; another 150 million acres in small private woodlands in need of timber stand improvement practices--pruning, weeding, thinning and the like. Our annual timber losses due to fire, insects, and disease would represent catastrophe to a nation less bountifully endowed.

We are faced with a shrinking land area for an expanding population. It is estimated that 3,000 acres of productive agricultural and forest land are being lost every day to urban development, industry, and increased needs for roads, reservoirs, airports, and recreation. The modern highway engineer needs the equivalent of a small farm just to grow one cloverleaf!

Let me quote from a book sponsored by you educators, "Conservation Education in American Schools," the 1951 Yearbook of the American Association of School Administrators, as follows: "Conservation of natural resources is truly the price of our survival as a people and as a nation. Unless we in the United States use more prudently the natural resources

on which our civilization depends, we shall soon find ourselves on the road to lower living standards and to eventual national decline. The basic natural resources which are essential to the vigor and security of our nation--soil, water, plants, animals, and a lengthy list of minerals--can be exhausted or dangerously impoverished in this country as they have been in other parts of the world. Will history repeat itself in America?"

I'm convinced that if we apply the educational and technical know-how that we possess it will not repeat itself. If you people, our educational leaders and others like you throughout the nation, will carry this message to our school students from kindergarten to college I have no doubt that the future welfare of the natural resources of this nation will be secure.

I can assure you of the Department of Agriculture's participation in all areas of conservation education in which it has a responsibility.

First, the Department's Office of Information is now seeking to make its total visual aids programs more useful for teachers and classroom children. In the past many of our films and filmstrips were designed for non-school use, yet a great demand for visuals has come from the classroom teachers. It is our plan to utilize the services of educational specialists to determine ways of increasing the classroom value of our visual aids.

Second, I am encouraging members of my staff to meet with leading education and resource-use organizations to learn their needs and how, if possible, the Department may be of greater service. My presence here today is evidence of this fact.

Third, the Department and its appropriate agencies will be alert to the growing public need for information on our changing agriculture and population and other pressures on land and water resources. We hope to meet this need with all the facilities necessary to keep abreast with demands.

Fourth, we are aware of the increasing use of the Department's publications by educators and by schools in general. Therefore as we prepare them we rely on educators for guidance in their development in order to make them as useful as possible, particularly those publications that deal with resources.

Fifth, increasing emphasis will be on conservation education for the solution of area, watershed, or river-basin problems.

And sixth, I am cognizant of the problems affecting land, water, forests, grasslands, and wildlife, and have a deep personal interest in conservation.

We pledge our cooperation in the total conservation education job to be done, and we invite your cooperation. Universal education for wise resource use cannot be postponed any longer. Conservation education is a job for all of us, working together.

U. S. Department of Agriculture
Office of the Secretary

61 NOV.

I am grateful to have this opportunity to speak to the 33rd annual meeting of the Consumer Cooperative Association. I have come here because I want to tell you of a challenge being made world-wide to our way of life, a challenge which carries great opportunity for farmer cooperatives in this country.

It is, in truth, a fundamental challenge being made to each of us, and from which neither your nor I can escape. It is the challenge to a free and democratic world by a communist society bent upon ruling all mankind.

We live today in a world which is one-third slave, one-third free and another third which is uncertain. The uncertain third are nations which are seeking their own identity, many of them after centuries of colonial status.

They are hungry nations, hungry for status in the world community, hungry for economic development and the rewards this brings and, in most cases, the people of these nations are hungry for adequate food for themselves and their children.

These people of these nations hunger also for freedom of opportunity to better their own living conditions -- to have a better life which they are beginning to realize other people in the world enjoy. And it is the appetite growing from this which -- if it grows unheeded -- consumes kingdoms and governments alike.

If anyone doubts that such conditions of hunger exist, then I suggest

Address by Secretary of Agriculture Orville L. Freeman before the Consumer Cooperative Association, Kansas City, Missouri, November 28, 1961, 11:00 a.m. CST.

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they visit some of the villages in the developing countries of the Middle East and Southeast Asia from which I have recently returned.

Given these conditions, it is no wonder that the Communists have made these nations the target of their appeals and blandishments. The people there are being told every day that they can solve their problems only if they follow the Communist way.

Yet in a world where hunger is the basic problem....where freedom from hunger is a pre-requisite to enjoyment of other freedoms...it is only the free and democratic people who have achieved the abundance of food and fiber which the uncertain nations seek.

It is only in the free world that we are experiencing an Agricultural Revolution which has enabled the farmer to achieve a success which provides the means of banishing the fear of hunger and famine in the world. It is a greater power than guns or bullets -- if it is used properly.

This is a better way than the one the communists propose and we can use it with great effectiveness in the struggle to insure that freedom and opportunity prevail for those people who seek it.

These conclusions are based on what I found on a study tour which recently took me and a group of the top professional people in the Department to more than a dozen countries -- eight of which would be considered developing nations.

We were able to observe first hand the conditions not only in the metropolitan areas but also in the villages and rural areas. We met with government leaders, teachers, village councils and with farmers and farm wives. They told us of their needs and yearnings, not only for the technical manpower to carry out a five-year economic development program but also for school buildings in the villages, for school milk and school lunch programs, for fertilizer, seeds,

irrigation pumps and -- most of all, for trained technicians.

In each nation we found certain common characteristics; the limitations imposed on the hopes and dreams of the governments by the lack of adequate technical skills and of skilled technicans; a fierce spirit of nationalism which expressed itself by insisting on many things, all of which had to be done their way; a genuine friendliness towards us personally and to our country; and an awareness of the remarkable achievement of the American farmer.

I have returned with a much deeper awareness of the nature of the challenge which communism poses for free and democratic people around the world as well as a much deeper appreciation of the potential strength we have in the productivity of American agriculture.

I am convinced that the strongest deterrent to the spread of communism is the very apparent contrast between American agriculture and that of the communists. The productivity of the farmer and the resources of American agriculture are the greatest source of strength in our struggle to insure that freedom will prevail in the world.

In those nations where three out of five or four out of five persons till the land for a living, the most damning argument against communism is the failure and inefficiency of Soviet agriculture and the collapse of the commune agriculture in Red China -- in contrast to the abundance produced by a free agriculture in the United States.

However, simply talking about the advantages of a farmer owned and operated agriculture will not be sufficient. We must make better use of our agricultural resources in the future than we have in the past.

Food aid for development -- of which we already have provided more than $9 billion through the Food for Peace program -- has been highly successful. It has fed hungry people while allowing nations to stabilize their economies.

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It has permitted long range economic planning to be carried out and it has enabled the receiving nations to avoid emergency situations which could lead to political instability.

But there is more that can be done. We should encourage and support expansion of school lunch and school milk programs into the villages and rural areas of developing nations where there are schools. In those areas where such programs have been launched, the meal the children receive once a day is often more food than they get at home.

If children are adequately fed and provided with educational facilities, they will have the necessary physical and mental energy to learn the technical and management skills an intelligent work force for future development will need.

Where there are no schools, programs can be developed in cooperation with the state and local government to provide food for wages to villagers to build their own schools.

This same technique for converting our agricultural abundance into critically needed capital development can be applied to build roads, hospitals, sanitary water systems and other community facilities.

The importance of food in the developing nations is hard to overemphasize. And one of the most reassuring things I found on my visit is the growing realization among government leaders and private citizens alike that agricultural development must either accompany or precede industrial development.

Large investments in new plants or in transportaion and communication systems can often retard the economic development which these investments are supposed to encourage.

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Most of the increased income which the construction of these projects bring to the worker is spent for food. If the food is not available, rising food prices cause inflation which then slows the economic development these countries so desperately seek.

As a result, the governments must find adequate food supplies to avoid these situations. Yet domestic production is not likely to increase sufficiently to meet the need, and commercial imports are limited because of the lack of foreign exchange.

Under these conditions, the agricultural abundance from America's farms has a definite place in an integrated program to accelerate economic development.

Even while the developing nations emphasized the value of food aid for development, they stressed repeatedly to us that their greatest need is for technical assistance to help increase the rate of agricultural development.

The United States is providing technical assistance in most of the developing countries, but we should enlarge substantially on the quality and amount we currently are providing.

In India, for example, where about 80 percent of the people live in rural villages, there is one area where five American agricultural technicians are trying to encourage better farming techniques among seven million farmers.

In East Pakistan, a region almost wholly agricultural, there are only three U. S. agricultural technicians. They are doing a highly effective job, but they are spread far too thin. With a substantial expansion in technical aid, economic development will stand a much more favorable chance.

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There is a third area where we must begin placing much more emphasis in our programs to assist in the development of these nations. It has received far too little consideration and too few people even are aware of its importance.

We must insure that in extending food aid and technical assistance that we are building the social, economic and political institutions which promote the development of a free and democratic people.

This need, in every conceivable way, is more important to the long-range future of these countries then either food aid or technical assistance.

Neither of these programs, in themselves, will insure that we are building a concept of human dignity, nor can they guarantee that free and democratic systems will appear when they have completed their task.

Both forms of aid, like economic growth, are indifferent as to the outcome of those issues which involve United States security as well as the survival of free and democratic institutions.

Communist governments seek economic growth as vigorously as democratic governments, and both could use many of the same techniques within different sets of institutions.

It is conceivable that without this emphasis on building free and democratic institutions we could be preparing the way for the infiltration into the developing nations of the Communist forces we oppose.

It is not the downtrodden who make the revolution. The revolutionists are those who are frustrated with their conditions because they know that others enjoy a better life which they themselves seek.

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Therefore, the most essential task of our aid and assistance is the creation of those institutions which spread opportunity, citizenship and responsibility among the people. If we fail to encourage these institutions, then we can possibly do ourselves more harm than good in the long run. And it is precisely here in this most critical and poorly understood field that the cooperative movement can make its greatest contribution as institution builders. Let me give you two examples of what I mean:

- A central government organized distribution mechanism for farm supplies has greatly different implications from a viable cooperative marketing institution, and our aid and assistance should be directed accordingly.

- An investment which will strengthen the integrity and bargaining position of a farmer's organization should have high priority over an investment which will produce similar productive consequences.

In cooperatives you find democratic institutions which are owned and operated by members. You have the resources of ability, organization, experience and conviction that can help the people of developing nations achieve economic growth and higher standards of living within the framework of democracy and freedom.

And you have an advantage which often is denied a government -- a private organization can frequently do more in terms of constructive programs.

I know that the cooperative movement is actively engaged in many projects to assist developing nations, but I firmly believe that it has only begun to make the contribution to human freedom that it can in the developing nations.

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Let me cite you a number of examples.

Through the Middle East and Southeast Asia we estimated that from 50 to 70 percent of all farm credit was borrowed from money lenders who charge an average 55 to 60 percent per year for interest. Rates of 120 percent were common, and we found isolated examples of rates as high as 3,600 percent.

I know that CCA has been highly active in encouraging rural credit unions in the midwest; in fact, some of the largest and most successful rural credit unions have been developed because of the aggressive policy of CCA and its affiliates to help farmers meet their credit needs locally.

The rural credit union is badly needed today as a democratic institution in the developing nations for the same reason as President Cowden cited for establishing a CCA policy on rural credit unions in 1945:

"Farmers...have found credit unions to be of real value. They offer a place for farmers to pool their capital and in turn they provide a source of funds at a reasonable rate of interest."

The Credit Union National Association has established a world extension division and currently has credit unions established in 40 countries.

However, when as little as 3 percent and no more than 12 percent of farm credit needs in the developing countries are supplied through credit societies, the field is relatively untouched.

Our party saw another excellent example of the work which cooperatives are doing in institution building in a block of villages outside New Delhi in India.

There the Cooperative League of America is sponsoring a full-fledged development project in a block of about 40 villages. It is a pilot project, but it demonstrates that cooperatives can organize and carry out well balanced programs to increase economic opportunity and raise standards of living.

In this project, an irrigation cooperative has been organized which is a means of spreading good farm management techniques among the farmers. There is a food processing and grinding cooperative which will be the basis for a marketing mechanism.

A cooperative medical program also is being developed which now provides medical service to nine villages. It consists of a doctor and nurse and two technicians and one jeep.

The project also includes a technical training cooperative which is designed to provide shop and mechanical skills to the farmers and villagers and to their children.

I could cite other examples of institution building which is being accomplished through cooperation in every country we visited.

But it would serve only to illustrate that we know what can be done by what has been and is being done. Earlier this month about 30 leaders in the cooperative movement in the United States -- among them Howard Cowden -- participated in the Inter-American Cooperative Conference in Bogota, Colombia. This could prove to be an historically important step in what President Kennedy has called the decade of development. The idea back of the Inter-American Confreence is that cooperatives working together provide one of the best ways of fostering the people-to-people approach.

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It was a great advance when co-op leaders of 21 countries in this hemisphere agreed at Bogota to form the "Co-op Organization of the Americas," and to call a first Congress within a year.

It was real progress when these co-op leaders agreed to form an Inter-American Cooperative Bank -- and when they agreed, further, to exert their influence on behalf of the cause of land reform.

I also am impressed with CCA's plan for a new School of Cooperation here in Kansas City. Leadership education is vital to any growing organization that wants to continue growing.

This same principle of leadership training is being applied by U.S. cooperatives overseas in Viet Nam to train cooperative leaders, managers and others in that country.

I hope to see activities along the lines I have described expand by leaps and bounds, for each institution you create is a building block for democracy and freedom.

A few moments ago, I said I had returned to this country from my trip with a much deeper appreciation of the productivity of the American farmer. It was because I realized that the enormous good which has been accomplished was only possible because of our agricultural abundance. And in the challenging years ahead this resource will be one of the important bulwarks for freedom and democracy.

It means that we must sustain our agricultural economy as a strong and viable force which returns to the family farm an income comparable to that earned by other segments of our economy.

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Cooperatives have a responsibility in this task to make their voice heard effectively and constructively in the formulation and adoption of a national farm policy.

Cooperatives are properly non-partisan, yet this relationship in the past has tended to make them avoid issues which, because they are so important and therefore controversial, smack of partisanship. What kind of national farm program we should have in the 1960's is such an issue.

But in the current debate over the direction which farm policy should take, the clear voice of cooperative leadership is needed...even at the risk of charges of partisanship.

Cooperatives cannot afford to sit on the sidelines. They must help shape the policy which not only will affect farm income and farm prospects of their members, but the whole posture of the United States in relation to a troubled and hungry world.

Let me draw your attention to a few basic facts:

First, it is now clearly evident that with average weather our food production capacity will exceed our prospective domestic and foreign commercial markets for many years to come.

We are experiencing in this country an Agricultural Revolution which in its impact and its implications may well have more far reaching effects on the social, economic and political institutions of the world than the Industrial Revolution has had since the 18th Century.

It means that we can look forward with confidence toward the conquest of those physical frontiers that may yet lie in the way of sufficient food, clothing and shelter for every human being on earth.

We must then develop a policy of Managed Abundance which will provide for the efficient production of food and fiber adequate to meet human needs at home, our export markets and to serve as an instrument for economic growth and institutional development abroad.

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U. S. Department of Agriculture
Office of the Secretary

Our foreign trade policy has come to a crossroad. A resurgent protectionism is in the air. Other voices have spoken out in favor of a liberal trade policy.

The direction we turn will affect all of us Americans today and all of our children and their children in the many years ahead. As a nation, we are in a period of decision.

I can think of no group more appropriate to consider this problem of foreign trade with than you cotton producers. Much of the history of the foreign trade of our country is identified with exports of cotton.

We are about to observe the 100th year of the founding of the Department of Agriculture, and in this connection it is interesting to note that a century ago -- when the Department was just being started -- cotton accounted for some 60 percent of our total exports, both agricultural and industrial. Cotton exporting has continued through the years to be big and important. During this past fiscal year, the equivalent of half your cotton production moved to foreign consumers and your exports came close to being a billion dollar business.

Throughout history, southern farmers have been closely linked with foreign consumers. Your tradition has been one of understanding the basic essentials of foreign trade. You have been among the supporters

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Address by Secretary of Agriculture Orville L. Freeman before the Cotton Producers Association, Atlanta, Georgia, Wednesday, November 29, 1961, 11:00 a.m. (EST).

of national policies that encourage the expansion of trade, policies that make it easier for producers to sell to consumers, regardless of where those consumers may live. Again I want to say that I consider this group, with your long history of active participation in international trade, to be a singularly appropriate forum for discussion of the trade problems that now confront our nation.

Cotton growers have long had a big stake in foreign trade but gradually you have come to share this stake with producers of many other farm products. All of agriculture today has a vital stake in foreign trade. Our agricultural exports are now at record levels, and these export shipments have come to include a wide variety of commodities. Our wheat growers are exporting half of their production. The same is true of our rice growers and our dried pea growers. The producers of soybeans and tallow are exporting two-fifths of their production. The producers of tobacco, hops, flaxseed, and nonfat dry milk are exporting a third of their production. Important parts of the production of many other commodities also are moving overseas -- cottonseed and soybean oils, feed grains, lard, poultry, variety meats, hides and skins, and fruits and vegetables.

Last year the output of 60 million acres of U. S. cropland moved to foreign consumers. This is equivalent to over six times the cropland of Georgia and Alabama. One acre of every six harvested in the United States is producing for export.

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Foreign trade, on a relative basis, is more important to American agriculture than it is to American industry. In recent years, exports have accounted for about 13 percent of farm marketing income while in the non-agricultural part of our economy, exports equaled 8 percent of output.

We stand today as the world's largest exporter of farm products. We have in our country only a small fraction of the world's farmers, yet we supply one-fifth of all the farm products that move in world trade. We supply the essentials of food and clothing and the pleasures of smoking to literally millions upon millions of consumers outside the United States. Some of our statisticians in the Department of Agriculture have figured out that last year our nation's agricultural exports amounted to 41 million long tons of cargo -- enough to fill over 1 million freight cars or 4,000 cargo ships. In moving these exports, an average of 11 ships weighed anchor each day.

This is truly big business. It is big business not only for the farmers of America but also for the millions of business people and wage-earners who are associated in the financing, storing, processing, and transporting of agricultural products. An important part of our population -- on farms, in small towns, and in big cities alike -- has come to depend for its livelihood on our nation's $5 billion annual export business in agricultural products.

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I observed earlier that we stand at a crossroad. This crossroad, and the direction our nation chooses to travel in its foreign trade, will determine to an important extent the future of this $5 billion export business.

What we are considering here is the continuation and expansion of this $5 billion export business. It is the protection of our heavy investment -- in land, in equipment, in science and technology, and in jobs for people -- that undergirds our agricultural exports. It is the responsibility we have assumed to foreign consumers, to supply them with large amounts of our food and fiber, on a dependable basis and at fair prices. It is the obligation we have in our position of international leadership to help set a pattern of conduct for the free world.

The crossroad question we face is this: Do we have the wisdom and the courage, as a nation, to continue on the liberal road in international trade?

Since the word "liberal" has taken on certain controversial meanings, let me explain that I am using it as the dictionary defines it -- that is, abundant, bountiful, broad-minded, not restrictive. A liberal trading policy seeks, through positive measures, to encourage an abundant flow of products from producer to consumer. It seeks to remove any impediments to this abundant flow. Rather than serving small or special groups, it seeks to serve the needs of citizens as a whole. It seeks to bring about joint action by many nations to carry out trade in ways that benefit all participants.

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The United States, as we know, has had a liberal trade policy since 1934. At that time we cast aside the restrictionism of the Smoot-Hawley tariff and adopted the constructive program of reciprocal trade agreements advanced by Cordell Hull. We have been living by that program ever since. It has enabled us to rise to new heights of leadership and participation in the world market.

Any liberal trade program is based on give-and-take. Concessions must be given by the other fellow as well as by yourself. In exchange for the liberal import policy maintained by the United States, we have obtained countless concessions from other nations. This year, to cite a few recent examples, the United Kingdom has liberalized the importation of a number of canned fruits; Germany, certain canned fruits, grass seeds, and cheese; Italy, fresh citrus fruits, preserved fruits, rye, vegetable oils, and on a seasonal basis, corn and oats; Austria, frozen and preserved fruit; Norway, oranges and linseed oil; Sweden, canned beef and meat sausage; Japan, lard and, very importantly, soybeans.

American agriculture has gained much through our liberal trade program. Of the $5 billion in farm products we exported last year, $3.5 billion -- or 70 percent -- were sales for hard cash to countries that were willing to have these products enter. (To round out the accounting, let me say parenthetically that the remaining 30 percent of our exports went mainly to underdeveloped countries under the special government programs.)

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It is clear that all of American agriculture has a big stake in foreign trade. It is important that this be understood by all segments of agriculture and that our agriculture mobilize its forces to vigorously resist any negative forces that threaten this trade.

Let me be specific.

One current source of concern is the emerging customs union known as the European Common Market. This union, because of its agricultural policies, threatens to curtail access to markets which our agriculture historically has enjoyed. The six members of this Common Market, just to rename them, are Belgium, France, Germany, Italy, Luxembourg, and The Netherlands. The United Kingdom, Ireland, and Denmark are seeking to join them, and some other Western European countries likely will join or associate. The United States has supported the Common Market's program of removing trade barriers between themselves, for we have but to look at our own states to recognize the obvious advantages of a free flow of goods and services. And this economic integration in Europe is paying off insofar as its industry is concerned. The Common Market countries are enjoying new vigor in their economies. They are trading more actively with one another and with outside countries.

Unfortunately, the liberal and dynamic trade policies of the Common Market countries have not been extended to their agriculture. This is a matter of grave concern to us. American agriculture has a vital interest in this market. In 1960 our farm exports to the Common Market

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had a value of $1.1 billion. The Common Market could eventually include countries which are now aggregate customers for well over $2 billion of farm products.

The Common Market's agricultural proposals to us so far have been strongly protectionist. They call for a system of variable levies on certain agricultural imports, plus higher tariffs. The effect would be to insulate the agriculture of the Six from outside competition. In a matter of years, the result would be a serious drop in our agricultural exports to the area, affecting wheat, rice, feed grains, livestock products, poultry, tobacco, certain fruit items, and possibly others.

In the past month I have met four times with representatives of the Common Market nations -- in Brussels, Rome, Hamburg, and in Paris -- where I expressed this country's deep concern regarding adverse effects that the Common Market agricultural policy may have on our sales to those countries. Other spokesmen for this administration also have made it clear to the Common Market representatives that we look on their agricultural policies as restrictionist and we have insisted on access to our historic markets. We have emphasized that protectionism is a contagion, that it can spread from one area to another. We have made it clear that we cannot follow liberal trade rules in our country if protectionism is the new order of the day among trading partners.

It is difficult to say what will be the final result of current negotiations with the Common Market countries. Of this we may be sure -- the United States will need as strong a hand to play as it can achieve.

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The stakes are high. We will most certainly need the backing of a trade program that is realistically liberal in its conception and flexible in its application.

There will be difficult decisions in the period ahead as the United States faces the challenge of maintaining a foreign trade policy adequate to the times, and of forging legislation that will equip the President with the authority he needs to negotiate with our trading partners throughout the free world. We recognize the benefits of a liberal trade policy -- yet, protectionism is in the air. We cannot ignore it. The problems it occasions must be met -- and they cannot be met unless we are equipped to do so.

Not only does protectionism exist overseas, it also exists here at home. Strong protectionist forces are at work in the United States that would reverse the liberal trade policies we have enjoyed since 1934. Some of these forces are making special appeals to agriculture. They are making these appeals to you here in the South. You have heard them; you have read them.

What you and all of agriculture must remember and continue to remember is that your interests have been, are, and will be furthered by a liberal foreign trade policy.

Agriculture must point out and resist the fallacy advanced by those who, for special reasons of their own, not for the sake of the

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general welfare, would return to the discarded policies of the past and move in the direction of economic isolationism.

This is not to say that special trade conditions do not on occasion call for special actions. We have had one such circumstance in which our textile manufacturers are concerned with the problem of maintaining historic levels of textile exports when foreign mills receive the benefit of our cotton export subsidy payments. To help equalize the competitive status between our mills and their foreign competitors, I have recommended to the President and he has asked the U. S. Tariff Commission to look into the desirability of levying an import fee on cotton textiles and apparel brought into this country.

But this is a special circumstance. It is an effort to help establish equality; it is not an effort to discriminate.

We in the Department of Agriculture and some 40 participating agricultural groups have mounted an economic offensive in which, through fair means, we are seeking to maintain old markets and build new markets throughout the world. This is a companion effort to trade negotiations as a means of developing export markets. This trade promotion program is producing dramatic results.

In the past five years, for example, exports of our poultry to Europe have increased 127 percent. Soybean exports during the same period have tripled because of a strong promotional program in Europe and Japan -- and we are now moving into South America. Rice exports

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have shown a ten-fold increase in Europe. Tobacco exports to Japan have more than doubled.

As a parallel activity, we are building long-range markets for our farm products by assisting the economic development of less developed countries so that they can become better buyers in the future.

So far, in this great organization of yours, I have wanted to discuss some of the far-reaching implications of foreign trade that affect you and your fellow producers across the land. Now let me, in a few minutes, share some thoughts regarding our domestic agriculture.

(The Secretary will conclude the speech with extemporanious remarks on the domestic Agricultural situation).

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U. S. Department of Agriculture
Office of the Secretary

Problems of both the underemployed farmer and the chronically unemployed industrial worker arise from the same basic cause, Secretary of Agriculture Orville L. Freeman said today.

He told a luncheon meeting of labor newspaper editors at the AFL-CIO national convention in Miami Beach that the impact of science and technology on the farmer and the worker is creating serious economic consequences for both, and for the economy as a whole.

"In the past when it was apparent that the farmer and the worker faced a crisis of common origin, both found that more could be achieved by working together to solve problems than by fighting over limited opportunity.

"There is a need today for the same spirit of cooperation to find answers as to how the people of the United States are going to live with abundance. Our problem today is unlike any other which man at any stage of history has had to face. As a result of the Agricultural Revolution, we can and are producing food and fiber sufficient beyond the needs of every person in this country -- and we could produce substantially more with great ease.

"The result has been low food prices, but it also has meant low income and underemployment to the farmer and a restriction of economic opportunity in agriculture.

"The United States also can produce every consumer product, every type of capital equipment, every product of any kind sufficient beyond the needs of every person in this country -- if factories and plants were turned loose.

Remarks of Secretary of Agriculture Orville L. Freeman before the International Labor Press Association convention, Miami Beach, Florida, Monday, December 4, 1961, 2:00 p.m. (EST).

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"The result has been that the people of the United States have an abundance of the necessities and luxuries of life which the people of the developing nations of the world cannot imagine. But as we move further into the age of abundance it has meant persistent and chronic unemployment in the labor force."

The Secretary noted that the effect of technological change on the farmer differs from its effect on labor.

"With better equipment, improved cultivation techniques and new chemicals, the farmer has been able to increase his productivity enormously. One farmer today, for example, can feed and clothe 26 persons as compared to 11 persons 20 years ago.

"But the increase in production has far outrun demand -- the human stomach can consume only so much food. When it has had enough, even the lowest price will not increase the appetite. But the farmer, in order to increase his income, has only one choice -- and that is to continue to increase production.

"He cannot cut back production because it would have little effect unless his neighbors would do the same thing. Thus he markets an increasing supply of food, and the price he receives continues to decline. We have, in effect, substantial underemployment in agriculture."

When industry finds that it is producing beyond demand, the Secretary noted, it has the alternative of reducing price while maintaining or increasing output or of cutting back production.

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"Usually, it is the latter because minimum wage rates, union contracts arrived at through collective bargaining and the 40-hour week prevent the worker from being forced to absorb the effect of price cutting.

"However, it does mean that some of the workers, or perhaps all of them in a particular plant, will be unemployed. Unemployment insurance has been developed as an instrument to cushion this shock to the individual and to the whole economy which loses purchasing power."

In recent years, the Secretary said, as more highly mechanzied processes have been introduced on production lines, fewer men return to work after each layoff. The men who find that their skills are no longer needed increase the number of long-term or chronically unemployed.

The number of the chronically unemployed is steadily increasing, the Secretary noted.

"The problem becomes especially difficult when the man who is 45 or older discovers that the skill he has earned his living with for his entire life has become obsolete. These people find it more difficult to relocate because of family ties, and also to learn new skills. Jobs for the person 45 and older are difficult to find, in any event.

"The farmer who at 45 finds he no longer can survive the economic pressure is in much the same boat. His skill also has become obsolete and he finds it difficult to move to new surroundings or to find anyone who wants a 45-year-old farmer as an employee."

Secretary Freeman said that the problems of farm youth and city youth seeking job opportunities also are basically the same.

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"We know that by 1970 we will have almost 3 million youth who are on the farm today who will have to find employment in non-farm occupations. They will join 23 million other young people from the cities and small towns -- under 25 years of age -- who will enter the labor force in the next ten years.

"And unless these youth have adequate training and skills which non-farm employment is increasingly demanding, many of these young people will find it difficult to find a job -- and hold it.

"The escape valve which always served the country when economic conditions built up social pressures like those we see forming today was the open land on the western frontier. If jobs were unavailable, or if conditions became unbearable, a man or a family could strike out for a new life on free land.

"That frontier no longer exists. But we must develop a new frontier which can act as a safety valve by providing new opportunity to those who are economically oppressed today.

"In this effort, the interest of the farmer and the worker are closely allied. There is no conflict so basic that agriculture and labor cannot share common goals and objectives.

"Those who seek to hide the similarities and to emphasize the differences serve neither the welfare of the farmer or the worker. The farmer ought not to criticize the minimum wage because he is told to believe that it increases his costs, and the worker ought not to oppose realistic farm programs because someone whispers that it could raise food prices.

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"Rather, both should realize that the country gets into trouble when the farmer receives low prices and the worker cannot find a job because he is obsolete."

The Secretary said that the administration's economic program recognizes this fact and has moved to begin developing the tools which can meet the problems of both the farmer and worker.

"The Area Redevelopment Act, for example, is designed to serve both the worker and the farmer. It provides the basis for a training and retraining program, together with funds for community development and expansion as well as funds to stimulate economic growth in areas where job opportunities are lacking.

"The President has recently established a committee on youth employment which the Secretary of Labor has asked me to join. We will investigate and develop proposals to meet the critical problem of increasing the job opportunities in the 1960's for the young people from the farm and city.

"The administration is committed also to more direct and greatly expanded programs which will increase the investment in public capital if the economy fails to develop sufficient force to overcome the problems of unemployment.

"The administration already has taken action to meet the problems in both agriculture and labor. The President has met his pledge to both the farmer and industrial worker.

"Net farm income this year will be up a billion dollars over 1960 levels, unemployment insurance benefits have been extended, a minimum wage bill has been passed and the Area Redevelopment Authority has been established.

"And these actions are only the beginning. But they do mean that both the farmer and the industrial worker have much to gain by working together to seek common goals -- by supporting the programs of the New Frontier."

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U.S. Department of Agriculture
Office of the Secretary

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Thank you very much, Mr. Chairman. I apologize to you for coming in late. I can assure you that I was neither playing touch football nor golf. I was in the office at 8 o/clock this morning.

I want to welcome you and express to you the appreciation of the Department of your coming. I assure you that we are anxious to be of service. The facilities, the resources, and the knowhow in this Department -- which are considerable -- are at your disposal. You know more about this industry than anyone and we want to assist in the bringing together of your practical knowledge and knowhow so that they may be focused in the direction of finding solid, sensible, workable solutions.

I was in Atlanta, Georgia last week and spoke to the Cotton Producers Association and then went out and looked at their poultry operation. Now I have been through a number of poultry plants. As a matter of fact when I was campaigning in the State of Minnesota I think I walked through every plant five times.

However, I never quite backed up to the beginning where you start with the eggs. But I saw a vivid example of the efficiency that the poultry industry has reached. I was struck with the magnificent job of research, organization, merchandising, selling, and of service to the consumer -- and the consumer benefitting enormously. You all are to be congratulated.

But, oddly enough -- and this also is an example of the paradox of American agriculture -- what's the producer getting for it in connection with a return for efficiency, for research, and technology? Today, as you know, many producers are being forced to the wall because they do not get a fair price for their poultry.

Address by Secretary of Agriculture Orville L. Freeman before the National Broiler Advisory Committee, U.S. Department of Agriculture, Washington, D. C. December 4, 1961.

3523 USDA 4014-61

U.S. Department of Agriculture
Office of the Secretary
1961

Thank you very much, Mr. Chairman. I apologize to you for coming in late. I can assure you that I was neither playing touch football nor golf. I was in the office at 8 o/clock this morning.

I want to welcome you and express to you the appreciation of the Department of your coming. I assure you that we are anxious to be of service. The facilities, the resources, and the knowhow in this Department -- which are considerable -- are at your disposal. You know more about this industry than anyone and we want to assist in the bringing together of your practical knowledge and knowhow so that they may be focused in the direction of finding solid, sensible, workable solutions.

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Fundamentally, we do not have the bargaining power to enable the kind of movement from the producer to the consumer where the producer will get a fair return for this magnificent success.

This comes to the focal point. It's a part, if I may say, of the challenge we face in American agriculture generally. The producer, or agriculture by and large, does not get a proportional return from the economy.

It is not only true in our country but also in most of the countries that I have visited recently in the Far East. The problem for farmers there is that they can't produce enough or produce very efficiently. In Western Europe, particularly in France and Italy where farmers are becoming efficient producers in a number of things, the marketing structure is terribly inefficient. Yet in this country, we produce efficiently and we have an efficient marketing structure -- but we bring to the market quantities, at a time and place that depress price.

We're in a position now where we are able, in any number of commodities, to produce more than we can use. We can produce more than we can use at a given time or place -- making all proper allowances in seeking to use effectively this great production capacity in commercial and concessional agreements at home and abroad.

This is a fact we cannot run away from. We can produce, and we are producing more than we can use at home and abroad. Now, if that's the case, we've got to do something, or the producer and this whole great agricultural mechanism is going to be subject to unbearable strains. And so we look for an answer. Your industry is a dramatic example of exactly this situation. You have enormous efficiency. You apply the most modern techniques, the most effective research, and you produce a quality product. You also market and merchandize it most effectively.

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And what's the net result?

You know, and that's why you're here. You're here to search for an answer and we're here to help you.

I have been disturbed by reading things in the paper and being asked questions which imply that a marketing order is some kind of government control. Now I say to you, as specifically and as positively as I can, that this is not government control. If you don't want us to help you, why just adjourn the meeting and go home. That's all.

We are not here to tell you what to do. We are here to be of service if we can, and not to bamboozle you even if we thought we could. You are too smart to be bamboozled or misled even if we wanted to try. I say this to emphasize a point -- you know this, but I hope it will reach beyond here.

If, in developing a program for the broiler industry, you decide that a marketing order is the best approach for your needs, then with cooperation and imagination and industry leadership, I believe such a program can be used very effectively in the future. You can very well be real pioneers in a movement towards the development of self-help mechanisms in agriculture. It will enable producers to have some kind of bargaining power, and a place and position in the market place, which they have never had in the history of mankind. There is nothing new about this. You can find it said by the prophets of old -- and I paraphrase -- "He who produces gets grass and water and he who handles and distributes gets oil and wine."

This has been a common problem for a long, long time. The marketing order is no panacea -- it may not be the answer you seek. It's not the solution for agriculture, but I believe that it may be one of many.

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Now the broiler industry is a great industry with a lot of particularly able and confident people. It may well be that you can come together here and develop some programs that will be workable and acceptable to the Congress. We're here to try to be of service to you, but not to tell you what to do -- this is no government controlled program.

I hope when you go home and find somebody who doesn't know anything about this, and who writes an editorial that the Secretary of Agriculture or someone is trying to control you, please pick up the telephone and call that editor and tell him to get his facts straight. If I speak a little strongly here, it's to dramatize a point.

We're serious about this -- if you don't take the initiative and the leadership,if you don't run with the ball, no program you develop is going to work. Our function is a service function to you. You are going to work this out.

I hope that you think this will be a useful and workable technique as we seek to feel and work and test our way to some solutions.

If you folks can be the advance guard on this in a nationwide approach -- something we haven't had before in marketing orders -- you can be doing an enormous service not only to yourselves but to agriculture and to our country.

I want to wish you well and to repeat again that we appreciate your willingness to give of your time and effort. We're here to be of service. We look to your leadership to do some pioneering. I hope you are successful and that you will set some examples others can follow. Thank you and good luck.

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U. S. Department of Agriculture
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Prosperity in agriculture in 1961 has brought important economic gains -- as well as the curses of his critics -- to the farmer, Secretary of Agriculture Orville L. Freeman said today in Des Moines.

"1961 will be a year in which rural America turns away from the dismal trends of the 1950's and begins now to move towards the goal of economic equality with other groups in the nation," Secretary Freeman told the annual convention of the National Farmers Organization.

"Let's look at what has happened in 1961:

"Net farm income is up at an annual rate of a billion dollars over 1960 -- or an increase of 9 percent -- and at a level higher than any year since 1953.

"Production of feed grains has been cut back to levels below anticipated need, enabling the use of large government holdings.

"Government stocks of feed grains, which reached an all-time high at the end of the 1960 marketing year, will be reduced for the first time in nine years.

"America's food abundance has been put to wider and better use at home and abroad than at any time since economic recovery in Europe.

"The level of economic activity in most farming communities, as reflected by retail sales along Main Street, is up from 10 to 15 percent over last year.

Remarks of Secretary of Agriculture Orville L. Freeman before the annual convention of the National Farmers Organization, Des Moines, Iowa, December 8, 1961, 8:30 p.m., CST

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"It is apparent that the agricultural programs of the Kennedy administration have marked a historic turn in the effort to achieve a more equitable reward for the farmer."

Secretary Freeman said that "Any effort to characterize this achievement as a failure must first deny the obvious rise of economic activity in rural communities.

"The feed grain program has demonstrated that the Managed Abundance concept has practical results of benefit to the farmer and to the consumer and taxpayer.

"As a result of this program, the income of the farmer has been strengthened directly. Indirectly, farmer income will be strengthened as the massive supply of feed grain continues to be reduced and brought into manageable balance.

"The consumer has available a plentiful and reasonably priced supply of food produced from feed grains, and the taxpayer will benefit from savings of over $500 million because stocks will be reduced rather than increased.

"I believe the accomplishment can be most strikingly illustrated by the contrast between 1960 and 1961. Last year, under the Benson program of low supports and unlimited production, the government spent millions of dollars, and we are acquiring more than 650 million bushels of corn and sorghums. The taxpayer is still paying storage, handling and interest charges on this, and likely will continue to do so for a number of years.

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"In 1961, payments under the feed grain program will be some $15 million under estimated cost of a 1960-type program, and government stocks will be reduced over 200 million bushels. In addition, much of the cost of this year's program will be recovered through sale of certificate feed grains.

"At no time have we ever denied the feed grain program would require the expenditure of dollars. We cannot wish away the accumulation of some nearly $2.6 billion worth of feed grains, from prior programs over the last eight years, nor do we want the enormous productive success of the farmer to disappear.

The Secretary noted that production adjustment is only one of several economic instruments which can be used to achieve Managed Abundance. He said the use of producer marketing programs is another.

"Marketing programs can be used by producers of many commodities to bring about a more realistic balance between supply and demand where serious imbalance exists.

"I hope it is clearly understood that these programs are producer designed, producer administered and producer financed. Neither the Secretary nor the Department of Agriculture can establish a market order program, nor can I or the Department run one.

"If the producers of a commodity want a market program, then the Department will provide technical assistance and advice. It will, at the request of the industry, hold hearings and referendums.

"If the producers who propose a marketing order, receive the support of two-thirds of all producers of a particular commodity, then they will have a marketing order. If they don't want one, then there will be no marketing order

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"If the producers of a commodity vote for a marketing order, then they face the real job ahead of making it work. The job of the Department at this stage is to insure that the marketing program is not used to exploit the consumer."

Secretary Freeman noted that the impact of the Administration's Managed Abundance program already has had a positive effect on the rural economy.

"1961 will be a historic year for the merchant and mechanic and equipment dealer along Main Street, for their prosperity is tied directly to economic conditions in agriculture.

"This week, the Wall Street Journal reported the result of a survey of bankers in small towns from Kansas to Maryland. The level of retail sales in most farming communities is up from 10 to 15 percent above last year.

"It demonstrates in very positive terms the rippling effect of increased income put into the hands of farmers. A nine percent increase in net farm income can boost retail sales from 10 to 15 percent.

"The reversal in the downward trend of farm profits also is helping farmers to pay off debts incurred in recent years and to work out of serious credit situations.

"I hasten to point out that we have made only a beginning. There are areas of the farming economy which, for reasons of heavy over-production or of adverse weather conditions, have not shared in the general lift in economic conditions this year.

"We also are facing serious conditions in excess production of certain commodities, particularly dairying. Programs will have to be developed during the next session of Congress to manage this production, or producers could find themselves without any programs at all.

"However, I believe the progress achieved in 1961 to begin bringing farm production in balance for those commodities which have a serious imbalance between supply and demand points the direction in which programs of Managed Abundance can lead to real freedom and prosperity for agriculture."

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U. S. Department of Agriculture
Office of the Secretary

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I sincerely appreciate the opportunity to speak at this convention of the American Farm Bureau Federation. It is a matter of record that the Secretary of Agriculture and the leadership of the Farm Bureau do not always agree. Yet on many critical issues we are in substantial agreement. Your President and members of your Board have been in my office frequently. I welcome their counsel. I need their help -- and yours -- in meeting the challenge of the difficult responsibilities that face the United States Secretary of Agriculture.

The problems of agriculture are difficult, complicated, and serious. They cry out urgently for a solution. I believe that they can be solved -- and that they must be solved in the years immediately ahead if we are to preserve in this nation the qualities that have made our agriculture the greatest in the world -- if we are to maintain the dignity and the independence of the American family farm -- if we are to assure the efficient farmer an opportunity to earn the income he merits, and assure to all the people of this nation -- now and in the future -- an abundance of the food and fiber that are so essential to human life.

We share these goals. Today I want to speak about them as directly and frankly as I can. I speak after a year of hard work and careful study. My conclusions are based solely on this study, for I came to this office without commitments to any group, and with responsibility only to the farmers and the people of the United State.

There are certain basic principles and goals that I believe must be constantly kept in mind as we seek to solve these urgent problems. Permit me to state them briefly, and then go on to explain them in a little more detail.

Address by Secretary of Agriculture Orville L. Freeman before the American Farm Bureau Federation Convention, Civic Opera House, Chicago, Ill., 2 p.m. (CST) Tuesday, December 12, 1961.

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The farmers of the United States deserve, and can attain, both freedom and economic security. It is in the interest of the entire nation that we attain this goal. And it is the determination of this Administration and the responsibility of the Secretary of Agriculture to work toward this goal.

I believe that we can adopt policies and programs that will insure to the farmers of this nation the freedom that is our democratic heritage and at the same time provide them with the opportunity to earn incomes that make for economic security. We can do this if we can meet five prerequisites.

(1) We must face honestly and realistically the tremendous changes that the technological revolution has brought about in agriculture.

(2) We must gear our agricultural policies to the new economy of abundance that is at one and the same time the great problem and the great hope of the years ahead.

(3) We must avoid the stereotyped thinking that is based on conditions of the past that no longer exist, and the kind of controversy that is based on cliches, on terminologies and on arguments that are alien to American thought and experience.

(4) We must exert greater effort to bring about public understanding of the needs and contributions of American agriculture.

(5) We must formulate our policies and programs in the light of the needs of all the people of this nation, and their relationships with the rest of the world.

Before going into each of these five points, may I repeat my conviction that the farmers of the U. S. deserve this kind of opportunity.

Off in the distance -- and perhaps not such a great distance at that -- I seem to hear the echo of a question repeated many times in the past -- "Do you

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think the government owes the farmers a living, or a guaranteed income, or price supports, or economic security?"

The answer of course, is "no" -- but it owes the farmer what it owes to every American -- conditions under which he has an opportunity to earn a fair income.

Let me explain this answer.

First, I believe that equality of economic opportunity is an integral part of our ideals of democratic government and our principles of free enterprise. All individuals who perform services and produce goods that are essential to society (and certainly nothing is more essential than the products of our farms) have a right to expect the opportunity to gain a reward for their efforts that is commensurate with that earned by others exerting a comparable effort.

Farmers, like those engaged in other forms of enterprise, have a right to expect this equality of opportunity. And if that opportunity does not exist -- and the facts and figures show that it does not exist today -- then it is the function of government to insure the conditions under which it will prevail.

One further point. One of the basic features of our free enterprise economy has been the concept of a fair reward for efficiency and progress. But this feature is notably absent in regard to agriculture.

No other major segment of our economy has made as rapid strides forward in efficiency and productivity as has agriculture. Output per man-hour in agriculture increased more than three times as fast as in non-agricultural industries during the 1950's. One hour of farm labor produces four times as much food and other crops as it did in 1920. One farm worker today produces enough food for himself and 25 others.

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Who has benefited from this phenomenal increase in productivity?

First of all, benefits have gone to the American consumer, who now gets more food at less real cost than ever before in history in any place on earth. On the average the American consumer spends only one-fifth of his income to provide food for himself and his family, as compared with 40 percent in most other advanced countries and a much larger proportion in many lands.

Secondly, hungry men, women and children throughout the world have been provided with food. We are thus able to make an important contribution to economic growth and progress under freedom in the developing areas of the world.

And may I emphasize, in this connection, that within our agricultural productivity there lies a potent weapon against communism, of which we have not yet made really effective use.

Recently I was told by one of the leaders in India that they were not nearly as impressed with America's ability to produce automobiles and appliances and ICBMs as they were with our ability to produce more than enough food with only nine percent of our working force.

Think of what this can mean to millions of people who have never had enough food, and who never even dream of more than enough! Think of what this can mean to developing countries -- seeking to catch up with the more advanced nations and seeking higher levels of living. Think of what this means to nations at the crossroads -- whether they call themselves neutral or non-aligned -- as they look abroad and face a choice between communism and freedom.

They look at Red China and they see hunger greater than their own, and the failure of communist agriculture. They look at the Soviet Union, and they see the Russian counterpart of our Secretary of Agriculture fired because of

agricultural scarcity (not surplus), and they listen to Khrushchev publicly call upon Russia to catch up with the United States in the production of food!

These are nations at the crossroads. In most cases they are now -- this year and next year -- making policy choices that can determine whether their agriculture, yes, and their entire social and economic structure -- will follow the communist pattern, or whether they will seek to adapt to their needs and conditions our family farm economy based on individual enterprise and the ownership of the land by those who cultivate it.

The leaders in these developing nations know that their people are hungry. They know that most of their people depend on agriculture for what meager living they get. They want to choose the system that will work the best. And by far the greatest response I got, when I spoke in these countries in southeast Asia and the Far East, was when I said that to hungry people food on the table was more important than satellites in the sky!

So let's stop downgrading the American farmer. Let's recognize his efficiency and productivity as the great asset it really is. And let us determine that our farmer shall have an opportunity to share in the rewards for his achievement.

For, as I have pointed out, benefits from the great advance in the productivity of the American farm have accrued to all the consumers of this nation, and to millions of hungry people in the rest of the world. And the only ones who have not benefited are those responsible for this advance -- the farmers of this nation.

You know how farm income dropped during the decade of the 1950's -- that same decade in which other incomes increased, and in which the productivity of the farm worker was increasing by 6-1/2 percent a year while the productivity of

the non-farm worker increased by 2 percent. You know that the per capita income on the farm is less than half the national average. And you know that the earnings of an efficient farmer have been around 82¢ an hour, a pitifully low reward for his labor and management ability!

So I come back to the question I raised earlier. And the answer must be that this nation owes to its farmers -- not a fair income, or a guaranteed income -- but it owes to them conditions under which they have an opportunity to earn that kind of an income to which their industry and ability entitles them. That is the only answer that is consistent with our American ideals.

And I would go further than that. This nation owes -- not only to its farmers, but to its future and to the generations that are to come -- the kind of program that will restore and maintain all the finest values of the American agricultural economy -- an economy based on the family farm.

Perhaps it is in order for me to define what I mean by a family farm economy, and why I think it is important.

It seems that it is very hard to define a "family farm." I must admit I was rather shocked at one stage of the Committee hearings last year when the term was temporarily stricken from the agriculture bill, apparently because of the difficulty in reaching agreement on its meaning. My own support of the family farm has often been criticized as the support of an outdated instiitution. There is obviously a wide area of public misunderstanding as to the meaning of a "family farm."

But I know what I mean by the family farm, and I think many of you do too.

It cannot be defined either in terms of acres or investment. The reason for this is obvious, because mechanization -- the technological revolution in

agriculture -- has constantly increased the size of the efficient farm unit that can be operated by one family. And because conditions vary so widely among different parts of the country and with regard to different crops, size is not a criterion for the "family farm."

To me, the family farm is a unit of agricultural production characterized by the fact that the owner or operator who manages the farm is the farmer himself, and the farmer himself has the incentive to do a good job because he will be rewarded accordingly. Of course, he may hire some labor. But the family farm is distinct from a huge corporate farm operating entirely by hired labor. It is different from a state-owned collective farm. Its distinguishing feature is the incentive and enterprise that comes with individual ownership.

Perhaps the family farm concept can best be illustrated by the conversation that took place between a family farmer and a worker on another kind of farm, who were comparing the merits of their respective lots.

The family farmer said: "I work hard from sunrise to sunset, and even later. I worry about weather and about prices, but I look with pride on the growing crops and healthy cattle. I don't have all the machinery I need and it seems to break down all the time, but I can get a little more each year. I don't earn as much as I would like, but I think I will do a little better each year because I can get better seed and more fertilizer. After twenty years I expect to have a new house and a better barn and the farm all paid for. Then I won't have to work so hard and it will be all my own."

And the worker on the industrialized farm said: "I work only an eight hour day. I get out one of the tractors each morning, and work the field to which I am assigned. When my eight hours are up I can go home and put on a clean shirt and look at television. My foreman isn't too bad. I don't have to worry about

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weather or prices, because the union gets me a decent wage. I can save a little out of that wage, and I figure that, if I can keep this job for 20 years, I'll be able to save enough money to make a down payment on a farm of my own like yours."

I think the family farm concept revealed by that story is very important to our nation and our people. Our family farm economy has developed the world's most productive agriculture, in part because the farmer himself stands to gain by better seed and fertilizer, by better farming practices; in part because his incentive makes it unnecessary for a foreman to check on his hours of work.

The family farm also represents the best social and cultural values of rural life. It is the only bulwark supporting our towns and villages. It remains one of the greatest strongholds of individual enterprise in our nation. I do not regard these features as of sentimental value only. They are a part of the American way of life.

Furthermore, I am convinced that, while mechanization has changed the size and nature of operations of the family farm, its basic concept remains the same. The family farm economy has proved its superiority by developing the world's most efficient and productive agriculture. I believe that -- on a basis of cold economics -- it can compete with any other system, provided we develop the tools necessary to insure the opportunity for the family farmer to earn a fair reward.

It is our responsibility to insure this opportunity.

This leads to the main question I raised at the beginning -- How can we fulfill this responsibility while preserving for the farmer the basic freedom that is likewise the right of all Americans?

I believe we can fulfill this responsibility by concerning ourselves with the five points I listed at the beginning.

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First We must face, honestly and realistically, the tremendous changes the technological revolution has brought about in agriculture.

These have created one basic problem.

Science and technology, coupled with the energy and enterprise of our farmers, and encouraged by public policy during times of unusual demand during a period of war and reconstruction, have given us a capacity to produce more food and fiber than we can use effectively at present.

And this scientific and technological revolution has not ended--in fact it has only just begun. Productivity will continue to increase. Economists tell us that our excess capacity, which may now be around six or eight percent, can be expected to reach 12% if, as expected over a period of years, we get a productivity increase of 30% while we get an expected population increase of 17%.

In other words, if by some magic all our surpluses could be erased, we could expect them to pile up again in the natural course of events, unless something is changed.

The first obvious answer to this situation is to make better use of the abundance we produce. This we are doing. During the past year we have expanded our programs to provide food where it is needed at home, by means of direct distribution, food stamp projects, school lunch and school milk programs. And we are improving and expanding our programs for the use of food and fiber abroad.

I believe that in a broad sense there is no real surplus of food in the world as long as people are hungry. I believe that we should make maximum use of our food to relieve malnutrition and encourage economic growth in the developing nations of the world.

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For reasons of humanity, as well as in the interest of our own security, I hope that the United States will lead the nations of the free world in a cooperative effort to put the scientific and technologic marvels of our age to use for the benefit of mankind. I hope and trust that while we use these new powers to strengthen our security and our defense we will not neglect to use them to build better lives for men everywhere. I hope that it will never be said of our civilization that we were able to put satellites in the sky, but were not able to put bread into the hands of hungry children.

Yes, let us take this challenge seriously and resolve to make the best possible use of this abundance.

But we must also be realistic. We must face the handicaps that stand in the way, that limit the extent to which we can make constructive use of our abundant supplies of food abroad. These handicaps are budgetary, dietary, and logistic. Many of them involve policies of other nations and other governments, and cannot be overcome by the action of this nation alone.

The inescapable fact is that we cannot use all we can produce in the years immediately ahead.

This leads to the second point I made as an essential prerequisite to insuring both freedom and the opportunity to earn a fair income to the farmers of our nation. We must gear our agricultural policies to the new economy of abundance that is at one and the same time the great problem and the great hope of the years ahead. We must seek by some effective means to manage our abundance in the interest of both farmers and consumers and within the framework of democracy and freedom.

How can we do this?

We cannot do this by reverting to a policy of laissez faire, abandoning all farm programs, and allowing the so-called laws of supply and demand to determine production and prices of farm products.

First, let us examine what would happen if we were to follow such a "no farm program" policy today.

Four authoritative studies, by the Senate Committee on Agriculture and Forestry, by the Joint Economic Committee of Congress, by Cornell University and by Iowa State University, all show how sharp would be the drop in farm prices and farm income.

Wheat prices, for example, would be sliced almost in half. Oats prices would decline one fourth, barley would drop about 28%, soybeans 38% and grain sorghums 22%. Dairy prices would drop 17%.

Many people assume that non-supported commodities such as livestock and poultry would escape any harm or would actually benefit. This is not so. We could expect a decline of 24% in weighted average prices for the six livestock commodities covered in the studies. Egg prices would decline 20%, cattle prices would drop 25% and hogs 30%, and prices for broilers and turkeys would go down even below their present levels.

All in all, without any farm program the rapid drop in farm prices and farm income would be disastrously destructive of our farm economy and our small town business.

Under such a price squeeze millions of farmers would be forced to quit. Now, maybe under the new technology we do not need even as many farmers as we have today. Maybe the trend is toward fewer and better farms. But we cannot allow machines to displace men without providing those men with the opportunity to

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find and qualify for other employment.

We cannot suddenly tell all of our farm boys today to pack up and take their chances in rapidly growing, overcrowded cities.

We cannot suddenly tell all the small, independent businesses on main street that they might as well close down because the corporation that was going to operate the surrounding farmland could buy cheaper in carload lots direct from the source.

We cannot allow the family farms of this nation to be put through such a wringer that the farm economy would be totally unrecognizable, where the principal survivors would be corporations that could buy up the bankrupt farms and stay in business only because they would be few enough to enforce a "managed scarcity", and could limit supply to quantities that would bring a profit. For at that point all consumers would suffer the consequences.

Perhaps the impossibility of reverting to no farm program at all needs no further argument. You in the American Farm Bureau Federation have demonstrated your position that it is unacceptable by proposing your Cropland Adjustment Program, for the purpose of managing abundance by means of a vast government program to pay farmers for taking cropland out of production.

I have studied this program carefully as it is represented by the bill, S. 1246, which you proposed and supported in the last session of Congress.

I find that your Cropland Adjustment bill has many similarities with the 1962 Emergency Wheat and Feed Grain Program that was enacted into law.

a. Both attempt to manage production by limiting acreage available for crops.

b. Both provide for assistance to farmers -- in cash or in kind --

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for diverting cropland to a conservation use.

c. Both limit eligibility for price support to producers who comply with program provisions.

There are also several major differences between the two programs.

a. The program outlined in S. 1246 would control total land available for crops by requiring that some percentage of total cropland on each farm be devoted to conservation uses. The Emergency program places a limit on the acreage that can be devoted to specific crops -- those which are in surplus -- and the diverted acreage must also be used for conservation purposes.

b. The level of support prices under S. 1246 is less than under the Emergency program, and would be at about 1960 levels except that wheat would be even lower. Under this Farm Bureau proposal corn would be supported at 65% of parity, with wheat and other feed grains related to corn supports. Under the Emergency program supports range from 65 to 90 percent of parity.

c. The Farm Bureau proposal would terminate wheat allotments and marketing quotas. The Emergency wheat program reduces the wheat allotment and marketing quotas below 55 million acres.

d. Under S. 1246, domestic sales by CCC could only be made at 125% of the support price, plus reasonable carrying charges. The Emergency program makes sales possible at somewhat lower levels.

I have asked the career economists and farm management specialists in the Department of Agriculture to give me as accurate an estimate as possible of the comparative costs and results of these two programs.

First, they believe that both the proposed Farm Bureau program and the

1962 Emergency Wheat and Feed Grain Program would reduce production of wheat and feed grains by approximately the same amount.

Second, they estimate that the Farm Bureau proposal would have to retire 65 million acres to achieve this objective, whereas our Emergency program is expected to reach that goal by retiring about 35 million acres. (In both cases this is in addition to the land currently in the Conservation Reserve of the Soil Bank). The reason for this difference is easy to understand. The emergency program requires that any reduction be made in cropland that is now producing the specific crops that are in surplus, while the Farm Bureau proposal applies to all land, and it could be expected that farmers would first retire their least productive acreages and land not now producting surplus crops.

Third, this difference in acreage means that the cost to the government of retirement payments would be substantially greater under the Farm Bureau plan. The rate under our program will be $30.70 an acre. Our experts estimate that -- to achieve the retirement essential under the Farm Bureau Program it would be necessary for the government to pay about $24.50 an acre. While this is lower than the rate under the Emergency program, it would have to be paid on so many more acres that it would cost the government about $1,583 million, as compared with about $1,075 million.

Fourth, the Cropland Adjustment Program would provide lower support prices than the Emergency Program, assuming that supports would be determined on the basis of legislation in effect prior to the 1961 feed grain program. On this basis corn would be supported at about $1.05 a bushel, and wheat at $1.16 ($1.25 the first year) under the Farm Bureau program, in contrast to the Emergency program levels of $1.20 for corn and $2.00 for wheat.

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Fifth, as a result of these lower farm prices total farm income under the Farm Bureau program would be nearly one billion dollars less than under our Emergency program.

Finally, total program costs to the government would be less under our Emergency program. The major difference in program costs, in addition to the difference in conservation payments for land retirement that I have already noted, would arise from the difference in export payment costs for wheat, as offset by the difference in return to the government in the disposition of CCC stocks. Under the Emergency program the expected loss to the government on export payments is $450 million, which would be offset by a net gain on acquisitions and dispositions of stock of $300 million. This leaves a net cost of $150 million, which, when added to the $1,075 million cost of land retirement, totals $1,225 million, --as the total cost to the government of the Emergency program. Under the Farm Bureau program there would be no net loss on export payments, but the net gain on acquisitions and dispositions would be about $190 million. Subtracting this gain from land retirement costs of $1,583 million leaves $1,393 million as the total cost to the government of the Farm Bureau Cropland Adjustment program.

In summary, then, the Cropland Adjustment program proposed in S. 1246 would probably have reduced stocks as much as we expect to reduce them under the Emergency program, at a cost to the government of about $168 million more than the Emergency program, and at a cost to the farmers of nearly a billion dollars in farm income.

I present this comparison not for the purpose of criticizing the Farm Bureau plan, but for the purpose of clarifying the problem. The two plans have much in common. But I could never go along with a plan that I believed would cut farm income by a billion dollars, and at the same time increase costs to the government.

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If the American Farm Bureau Federation or any of your leaders and your economists can formulate a plan that seeks to increase rather than decrease farm income and that will also reduce government costs, please bring such a plan to me for serious consideration.

I make this request most sincerely. We are faced with great difficulties in the task ahead, difficulties that could be materially lightened if the farmers of this nation, through their organizations, could unify their efforts to achieve a sound, comprehensive farm program.

I hope to recommend such a comprehensive, balanced farm program next year. In the preparation of such recommendations we have studied all of the proposals that are being made. Consultations have been taking place steadily for over six months now as we seek advice and counsel from all interested parties.

The emergency feed grain program that is in operation this year was a step in the direction of managing our abundance. It has succeeded, for the first time in many years, in making it possible for us to reduce accumulated stockpiles of feed grains. In addition, its cost to the government is $500 million less than the cost would have been under programs in effect before the bill was passed.

The emergency wheat and feed grain program for 1962 constitutes another step toward managed abundance. But, as its name indicates, it was never intended as a permanent program. Its costs to the government, which, as I have indicated, are less than they would have been under the A.F.B.F.'s Cropland Adjustment Program, are only justified as an emergency program.

A permanent solution to the farm problem must be sought in terms of a program involving progressively lower costs to the government and providing for the effective management of production, along with a wise utilization of our soil and

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water resources -- all within a framework of a freedom for American farmers that is more meaningful than that which they have today.

This framework of freedom involves a very important principle. To me, real freedom is beyond price, whether it is freedom for the farmer or freedom for us all. And the two are related. Therefore I invite you to examine with me the meaning of freedom in connection with farm programs.

In any organized society freedom is relative, and various freedoms are matters of choice in a democratic society. You all know that your freedom to wave your fist stops before you reach your neighbor's nose. You all know that you are free to drive automobiles on our streets only because you are not free to drive them in any direction in any lane at any speed. We are free to live under an orderly and peaceful society only because we have chosen to enact laws that restrict the freedom of us all.

The Farm Bureau's Cropland Adjustment program would ask a farmer to give up his freedom to crop all of the acres on his entire farm and agree to retire, let us say 65 acres, in return for price supports. The Emergency Program for next year asks him to give up his freedom to crop all of those acres that he has traditionally used to produce products now in surplus, and agree to retire, let us say 35 acres, in return for higher price supports. Farmers have been making similar choices for many years with regard to such crops as tobacco and cotton, and in my many contacts with these farmers I find overwhelming support for these programs.

The most meaningful kind of freedom in the complicated and interdependent society of today must be sought in terms of freedom to cooperate with others, and to share in decisions and choices made, to achieve desirable goals that cannot possibly be achieved by independent individual action. The individual farmer acting

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alone cannot possibly achieve the strength in the market place that he would need to get prices that would provide him with a fair income. For that purpose farmers must act together. In many instances they can do this successfully through their cooperatives. In many other instances they must look to government for the mechanism through which they can act together.

Joint decisions that are arrived at democratically by a vote of those involved, whether these decisions are made in a cooperative or through government, can serve to expand and broaden the freedom of those who comply with such decisions. The freedom to drive an automobile on our streets and highways in accord with the rules is far more important to you than would be the freedom of everyone to drive without regard for any rules. Likewise the freedom of a farmer to earn a fair income on his farm, by following rules that he and his fellow-farmers have adopted to make that income possible, may be a far more meaningful freedom than -- let us say -- the freedom to plant all the corn he would like at a time when corn is in serious oversupply and could bring him only a sub-standard income.

As soon as we recognize that in the years immediately ahead the farmer can hope for an adequate income only if we in some way prevent the economic waste and price depressing effect of producing more than we can use, and as soon as we positively repudiate the idea of temporarily achieving this reduction in production by bankrupting millions of farmers thru a policy of no program at all, and as soon as we face the fact that an individual farmer acting alone cannot affect markets or prices or problems of oversupply, as soon as we do this we must accept the responsibility of providing the tools and the mechanism through which farmers can work together using democratic processes and making democratic choices that will enable him to manage his own abundant productive capacity. It is this that we seek in our farm programs.

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I believe that we can formulate a farm program for the years ahead that will effectively manage our abundance, that will afford our farmers a much more meaningful freedom than any they could look forward to without such a program, that will give farmers a much greater share in the decisions that determine their economic fate than they have today, and that will result in a stability of prices and an assurance of plenty to American consumers, today and for the future.

We can do this if we -- all of us, including farm leaders as well as government officials -- sincerely try to follow the third prerequisite, -- if we avoid the stereotyped thinking that is based on conditions of the past that no longer exist, and the kind of controversy that is based on cliches, on terminologies and arguments that are alien to American thought and experience.

It is traditional in the United States to base our policies -- not on isms and ideologies -- but on experience that works, within a framework of democracy. When a policy no longer works because conditions have changed, we change the policy.

Policies related to agriculture that worked in an age of scarcity will not work in an age of agricultural abundance. They must be modified, by policies formulated and agreed to by farmers themselves and not dictated by any government official. We can develop machinery through which this can be done, just as we have developed machinery to make democracy work in other aspects of American life.

The formulation of a good farm policy, however, is not enough. We must be concerned with the fourth prerequisite I listed, and exert greater effort to bring about the public understanding that is essential to get such a policy enacted and implemented. For farmers are today a minority in our land -- and in our legislative halls.

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For far too long the farmer has been downgraded in the United States. I have pointed out that the productive success of the American farmer has been so great that every consumer in the nation, as well as hungry people the world over, have benefited; while for the farmer himself the result has been economic distress. And, as if to add insult to injury, the public attitude toward the farmer has come to reflect concepts of surpluses and subsidies rather than the regard we expect for ability, industry, efficiency and successful productivity. More public attention is given to one gentleman farmer in a white Cadillac than to a million hard-working, able farmers in their trucks and on their tractors!

For nearly a year I have regarded it as a major responsibility to get the real story of the contributions of the American farmer before the public, and to promote public understanding of the farmer's problems. I believe we are making some headway. I am deeply appreciative of the careful work that has been done by some of the press, radio, and TV.

Much more needs to be done. When government officials, leaders of farm organizations, students of our economy and the various media of communications all seek to find and diseminate the facts about our farm economy we will achieve the degree of public understanding necessary for a sound farm program. We will achieve it then because such a program will be of real benefit to the entire nation.

This leads to my final point. We must formulate our policies and programs, not only in the light of the needs of all the people of this nation, but also with regard to their relationships with the rest of the world.

American agriculture has been concerned with foreign trade throughout almost all of our history. That concern is at its peak today. Agricultural exports are a major factor in our favorable balance of trade. Last year they broke the record with a value of nearly five billion dollars, and seventy percent of this was for

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dollar sales. American trade policy is therefore of utmost concern to American agriculture.

The promotion of expanding trade among the free nations of the world is as important as any other economic issue now before our nation. It is imperative that the United States adopt policies that will help to expand and liberalize that trade if we are to maintain our position of leadership and our share of the markets of the world. And there are few segments of the American economy to which this position is as important as it is to agriculture. It is of utmost importance that we seek, not only to expand our agricultural exports abroad, but that we seek to modify our trade policy in the direction of greater flexibility, with greater freedom for the President to negotiate trade agreements to meet rapidly changing conditions in the years ahead.

I would conclude by emphasizing that the principles and problems I have been discussing present a great challenge to us all. For nearly a year we have sought to progress toward a solution of what President Kennedy has called our number one domestic problem. Under the President's leadership we have greatly increased our distribution of food to those who need it at home, and we have expanded and improved programs for utilizing our agricultural abundance to relieve suffering and to promote economic development and freedom abroad.

Under President Kennedy's leadership we have seen a reversal of the downward trend in farm income, and an increase intotal farm income of one billion dollars over that of last year.

I believe that you will agree that this is going in the right direction!

But the major task is still ahead.

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There are still those who are convinced, as a prominent agricultural leader told one of our top U.S.D.A. officials only the other day, that American agriculture as we know it is doomed, and that there is little hope for survival for the free and independent type of family farm. He pointed out that we are living in an urban society -- a society which has little concern for agriculture or the farmer -- that even farmers themselves were seriously divided, with no basic sense of direction -- and that the same forces which have contributed to present difficulties will continue with little hopefor improvement.

I cannot accept this pessimistic appraisal -- and I submit that, if I could, I would have no business being Secretary of Agriculture.

But the statement, nevertheless, points out some of the toughest aspects of our problem.

I believe, however, that there are very promising rays of hope. My experience in speaking around the country leads me to conclude that farmers are not so bitterly divided as some would have us believe. I think there is a general,if not a nearly universal, agreement on our goals. And I am convinced that there is a deep and sincere desire to arrive at agreement on the methods we should try to achieve these goals.

As for our increasingly urban society having little concern for agriculture and the farmer, I can report that I have noted progress in this area too. The public cannot be expected to show a sympathetic concern when they do not know the facts or understand the problems, and as long as their most frequent contact with the farm situation consists of unsympathetic comment that downgrades the farmer, or of critical, unjust and derisive comments about proposals for farm

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programs. Let's criticise such proposals, yes, but let's do it fairly and honestly and in constructive terms.

I believe that the people who constitute the American public are basically intelligent and basically fair. When they realize how few farmers drive white Cadillacs and how many get only 82¢ an hour as compared with a minimum wage of $1.25 they will agree on the need for change. When they recognize how important a sound farm economy is to the economic well-being of the entire nation they will support sound farm programs.

Let's keep our eyes on our goals.

We seek a continued abundance of food and fiber, for today and for the future, for these provide the most basic needs of human life. We seek a farm economy that will provide these things at prices that are fair and stable. We seek reserves adequate for any emergency, and we seek to avoid the waste that results from production of more than can be used. We seek to develop the conservation and best utilization of our land and water resources, in the interest of all of our people and of future generations. We seek to do this within a framework that will assure the farmer of an opportunity to earn a fair income without exploitation of either the taxpayer or the consumer. We seek the maximum use of our agricultural productivity to promote progress and freedom in the world.

These are goals on which I think we can all agree. They are goals to which this Administration is dedicated.

The achievement of these goals presents the most difficult challenge in the entire field of domestic problems in the United States today. But I am confident they can be achieved, if we work together.

I would welcome your help.

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U. S. Department of Agriculture
Office of the Secretary

FOOD TO FEED THE HUNGRY.

Secretary of Agriculture Orville L. Freeman said today that the keystone of the Kennedy Administration's Managed Abundance policy for agriculture is the effort to bring the food abundance of the U. S. to hungry people.

He told the annual convention of the Farmers Union Grain Terminal Association in St. Paul, Minnesota, that no amount of food can be considered surplus as long as people are hungry.

"This Administration came into office in January with the total commitment to put to use the God-given abundance in agriculture which is a gift to all Americans. We have sought to do this at home through a variety of programs to reach hungry people and through the Food-for-Peace program to assist friendly nations abroad in feeding their people and in doing a better job of growing food for themselves.

"Consider, if you will, the situation we found on January 20. There were over six million people unemployed. Some 4 million people were receiving food through direct distribution to supplement an often meager diet.

"And the food commodities they were supplied should have made everyone ashamed to be living in a land of abundance. The food which this nation could spare for the needy consisted mainly of flour, a little rice, lard and dry skim milk -- hardly an appetizing fare.

Remarks prepared for delivery by Secretary of Agriculture Orville L. Freeman at the annual convention of the Farmers Union Grain Terminal Association, St. Paul, Minnesota, 8:00 p.m. (CST) Tuesday December 12, 1961.

"There could be little excuse -- nor was there any excuse -- for a nation with its wealth of food to provide so miserly for its citizens.

"The Kennedy administration moved, and moved swiftly, to make available the food products which American agriculture produces with comparative ease. The first Executive Order of the Kennedy administration directed the Department to make food available to the needy.

"The quantity and quality of food supplied through the direct distribution program was doubled. Pork and gravy, peanut butter, rolled oats, butter, dry beans and other commodities were added to those already available.

"The Department also produced recipes and arranged demonstrations to show how these foods could be made into attractive, well-balanced meals -- even though this food lacked the variety usually available to most Americans.

"The result of this effort to share the nation's food abundance more widely is not too surprising. Within a short time, the number of needy persons participating in this program rose to almost 6.5 million people. Five states, which previously had not participated in this program, joined so their citizens could be eligible.

"Numerous counties and cities which had dropped out of the program rejoined it, as it became apparent that the Kennedy administration was keeping its commitment to bring food to hungry people -- the old, sick, handicapped and unemployed.

"Nor did the President stop here. He kept another pledge and ordered that a food stamp project be launched on a pilot basis in areas of acute and persistent unemployment.

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"Food stamp programs were set up in eight different localities around the nation, and they are today supplementing the incomes of thousands of families so that the full variety of food products available in grocery stores and supermarkets can be purchased directly to provide a full and adequate diet.

"The pilot program has worked with unusual success, and the critics who were waiting for violations and cheating have been sorely disappointed to find only isolated instances of such activity.

"The vast majority of those participating in the food stamp plan have recognized its value, as did the Administration when it set the program up. We hope that on the basis of the experience to date, and the studies made of the pilot projects, that the program can be continued and possibly be expanded to a few more areas.

"Activities to insure that every American has the opportunity for a full and adequate diet have not been limited to these efforts to bring food directly to those who need it.

"We are seeking to expand the school lunch program into those schools which now do not have feeding programs. Over the past 15 years, the number of schools providing hot lunches for students has doubled, and today schools with about two-thirds of the nation's children make a noon-time meal available.

"However, in most cases, those children who do not have lunch programs in their schools are the children who need it the most.

"This is due in part to a lack of adequate facilities to prepare and serve the food, and partly to the lack of adequate funds at both the federal and state level to finance a lunch program in these schools.

"This year, however, over 12,000 students now go to schools where the school lunch program is being made available for the first time as a result of a special program to encourage the expansion of this feeding program.

"In a somewhat related effort, the Department is carrying out nutritional research programs which will lend themselves to improving the diet of today's teenager. Frequently, the youth who may have the opportunity for superior diet settles for a dinner fare which may be more appealing to the teenager but which is highly inadequate.

"In one sense of the word, these youth are as much in need as the unemployed miner, although the need is for realization of the importance of an adequate diet.

"I have touched so far on the efforts being made domestically to bring food and people together in this country. Earlier I stated that the Administration's total commitment to use the nation's food abundance extended to the friendly nations of the world where hunger is a constant companion for millions upon millions of people.

"The Kennedy Administration has reached out to help these people as well. We have, in doing so, demonstrated that food can become a dynamic phase of the nation's foreign policy.

"The nation's Food for Peace program has been substantially expanded in the short period of time this Administration has been in office. We have committed more food and fiber for shipment to our world neighbors who need food and clothing for their people than in any similar period since P.L. 480 was passed.

"And perhaps even more important, we have begun to recognize -- and the friendly nations of the world have recognized -- that the U.S. seeks to share its abundance as a means of strengthening the free world and extending Democracy.

"Eleven months ago, the official attitude was much too heavily weighted by the view that P.L. 480 was a convenient means of dumping unwanted food commodities.

"This was a narrow view and one which, when reflected by the other nations of the world, did a great injustice to the American people who have been required to make a real sacrifice in supporting the program.

"Yet this view was never shared by the man who is one of the principal architects of the program to share our food abundance with hungry people throughout the world. Senator Hubert H. Humphrey, with a vision more perceptive than was shown by those who were to first administer the program, brought creative and imaginative leadership to the formation of this concept of sharing which has become the keystone of this Administration's farm policy.

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"The success of the Food for Peace program, as it is known today, cannot be measured by the fact that it has made possible the sharing of over $9 billion worth of food and fiber produced by American farmers, but by the results which have been achieved in bringing this food to hungry people.

"During my recent trip through many of the countries which have and are receiving food under this program, I made a special effort to judge how effective it has been and how it might be further improved to make it more effective.

"I found that the program had achieved a success beyond the concept of its originators. It has been a major contributor to the political and economic stability of several countries. In one nation, it was reported to us that it was the single most important factor which prevented the overthrow of a government friendly to Democracy.

"The food abundance we have shared has prevented inflation by providing adequate supplies of food which were placed in the market to maintain reasonable price levels in a period when normal scarcity would have driven food prices beyond the reach of many people."

While I was in Indonesia, for example, the United States extended more than 100,000 tons of rice at a time when crop failures had already started to push prices above the daily wage received by the average worker in Djakarta.

"The Food for Peace program, then. has met emergency situations. It is filling emergency needs in the Congo."

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And it likely will be called upon to do so in the future in some other place.

"But most important, while the program is meeting emergency situations, while it is providing stability and fighting off inflation, it has fed countless millions of hungry people. It is right and proper that we do this, for to do otherwise would require us to break with the tradition of our democratic principles and the spiritual beliefs on which our civilization rests.

"In doing this, we have demonstrated to a hungry world that the U.S. with an agricultural system of family owned and operated farms, can produce enough food for its people with sufficient to spare to share.

"And let me assure you that this fact is well understood by farmers in northern villages in Pakistan and southern regions of India, and by the leaders of every nation our group of agricultural experts visited.

"In India, an official told our group that neither the space achievements of Soviet Russia, nor the industrial progress of the United States had impressed the people of his country as much as the fact that the United States with less than 10 percent of its people on farms could produce food for all the American people and for millions elsewhere around the world.

"I wish to point out that it is not simple to make such a program work. One might say it is easier to talk about sharing than it is to get the right kind of food to the people who need it at the right time and place without disrupting the local economy and perhaps creating more problems than are solved.

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"We shall continue to work to improve this program and to develop better means of putting food where people can use it. In this respect, George McGovern, who is the coordinator for the program for the President, is doing yeoman service. He has brought imagination to the program where it was lacking before, and he has put a new fervor and appeal behind this effort to share our food abundance.

"But while we seek to clear away some of the obstacles which now impede the flow of food commodities to friendly nations, we ought not to confuse ourselves by thinking that we can meet the challenge of over production and low farm income by this means alone.

"There are many improvements which can be made, and there are obstacles to be overcome. For one thing, we are producing many farm products which people in other nations do not eat for a variety of reasons. In many areas of Southeast Asia, wheat is looked upon as an inferior food by the people of this area.

"The reason is that these people are rice eaters, and had never used wheat in their diet. While an intensive, long range program to acquaint them with wheat probably would gain acceptance for this grain, such a project will take years before any appreciable flow of wheat can be directed to these people.

"While we were in East Pakistan, some of our group visited an orphanage school located in a rice eating area. The boys and girls were being fed a basic wheat diet prepared in the same way as rice. After three or four months,

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the children preferred the wheat foods over rice, and they were healthier, stronger and more alert than children who ate rice.

"This kind of program will have to be repeated countless times in schools, in villages and in cities before we can expect to ship wheat into historic rice eating areas.

"There are other problems, perhaps not as basic as this one, but which create obstacles just the same. In many countries there is a serious lack of vegetable oil for cooking, yet much of the food we provide needs to be cooked in oil in order to be palatable. We do not, however, produce enough soybeans at present to supply the very great need that exists.

"We also observed during our trip other conditions which we should undertake to improve in order to increase the flow of food to the developing nations."

In Iran and in Pakistan, for example, storage facilities are not adequate to handle the volume of food commodities which could be used. The same is true, I am sure, in the new nations of Africa.

"Adequate transportation facilities also are lacking in many nations to provide the resources to distribute the food internally. In Iran, some villages do not even have roads to connect them with the outer world. In Africa, again, one of the critical problems in meeting the terrible threat of starvation is the lack of distributive means to get adequate food to the people. Certainly we have the food, or we can produce it.

"Now there is much that we can do with our abundant food resources to remove these obstacles and to smooth out the difficulties. We can, and are, providing food as wages to build roads in parts of Africa and in Iran. We shall expand this effort wherever the people and their government are willing.

"We can provide food for wages to build schools, to build storage facilities in villages and to build community facilities to provide sanitation and clean water.

"I hope and trust that we will use the power which our agricultural abundance gives us to build better lives for men everywhere -- and to help them build better lives for themselves.

"As long as I have a voice to speak, I shall work to make sure future generations will not have to say that our civilization was able to put satellites in the sky, but was not able to put bread into the hands of hungry children.

"You should take this challenge seriously. I do. But we also must be realistic. Until we have overcome the barriers which now prevent the full use of our abundant supplies of food abroad, we must recognize that in the years immediately ahead that the total utilization still will not equal our capacity to produce.

"Until we have solved this problem, we will continue to produce more than we can use at home for commercial needs or in food distribution programs, or that we can use abroad for dollar exports or for feeding hungry people.

"And if no other action is taken, we can expect the same results in agriculture that we have seen for the past eight years -- falling farm prices and low farm income.

"I believe that -- on the basis of cold economic logic -- the family farm can compete with any other system, provided we develop the tools necessary to insure the opportunity for the family farm to earn a fair income.

"Each person here realizes, I am sure, that the farmer cannot hope for an adequate income unless we prevent the economic waste and price depressing effect of producing more than we can use.

"No sane person wants to do this by bankrupting millions of farmers through a policy of no program at all, because the individual farmer can exercise no bargaining power to affect markets, prices or the problem of over supply.

"But farmers, working together through democratic processes and making democratic choices, can manage their own abundant productive capacity.

"With this as part of our farm program, the United States can continue to wield the most powerful instrument known to man -- the ability to feed hungry men, and to share the productive capacity which only Democracy can create."

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U. S. Department of Agriculture
Office of the Secretary

THE ROLE OF RESEARCH IN MANAGED ABUNDANCE

Since becoming Secretary of Agriculture, I have been telling the people of the United States of the significant contribution to their welfare and to their standard of living which agriculture is making. Today, at the dedication of the National Animal Disease Laboratory, I believe we have a fitting occasion to show how research in agriculture benefits every person in every walk of life.

It is true that the American farmer is better off and has a better standard of living than farmers in most other countries, and production research has played a part in this. But, it is fair to say that the public has received a far greater proportion of benefits in terms of having available a plentiful supply of food at lower real cost than anywhere else in the world.

Let me illustrate this more specifically. In the past 50 years, our population has nearly doubled, while the number of farm workers has been cut in half. Yet our people are better fed and better clothed today than ever before.

One farmer today can feed 26 people, but if we farmed with the same techniques and the same seeds, fertilizers and chemicals used in 1940, we would need almost 8 million more workers on the farm.

Address by Secretary of Agriculture Orville L. Freeman at the dedication of the National Animal Disease Laboratory, Ames, Iowa, Thursday, December 14, 1961 at 2:00 p.m., CST.

But those eight million workers can produce nearly half of all our manufactured goods. They can build all our new roads, new factories, and new homes; then can mine all our coal and iron, and leave more than enough manpower besides to drive our trucks and buses, run our railroads and airlines, supply our gas and electricity, and keep our telephones working.

And all the while, the productive success of those remaining on the farm has lowered food costs to the consumer from 25 percent of the average income in 1940 to 20 percent in 1960. By comparison, food costs in western Europe take 30 to 45 percent of the average family income and in Russia food costs amount to well over 50 percent.

In this context, it would be fair to assume that the cost of this production research should be charged to the general public. Certainly, the benefits of continued research in developing more efficient and economical methods of producing food and fiber will be needed in the years ahead as our population increases and our standard of living continues to rise.

Yet, there are many people today who are puzzled by the fact that we are continuing this research in agricultural productivity.

They ask: "Why do we, on the one hand, continue research in agriculture to find better ways of producing farm commodities while on the other hand we are seeking to cut back production, to adjust farm output more nearly to the level of current need?"

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Or they may phrase the question this way: "Why do we continue such practices as land drainage when we are paying farmers to take land out of production and put it to conserving uses?"

Now these are legitimate questions. At first glance there is a real and significant contradiction. And it is a contradiction which those of us in agriculture must understand more fully if we are first to show that it is a false analysis and, second, if we are to deal successfully with the problems of overproduction and low farm income.

I propose here to open a discussion which those in production research should pursue further and to attempt to clarify the role of research in a program of Managed Abundance in agriculture.

Let us look a little further below the surface of these contradictions. If we follow the analysis of those who raise this contradiction to its logical conclusion, they are saying, in effect, that we can better meet the challenge of agricultural abundance by making agriculture inefficient and less productive.

Without production research to make the agricultural economy more productive, the whole economy of a nation suffers. Without adequate food to feed its people, a nation cannot hope to begin raising the standard of living of its people.

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I raise this point to emphasize this one fact: The primary goal of research in agriculture has been to raise the standard of living of all people by providing food and clothing at relatively lower cost, while making possible the development of other productive resources. It is the public policy in a democratic society such as ours to encourage activities which will provide the maximum benefit to the greatest number of people.

And agricultural research to increase productivity has contributed materially to the economic progress of the United States. I think it would be criminal to stop this research today because we would be stopping progress which benefits the economy as a whole.

Actually, success in terms of long-run production research is not something to be turned off and on. The present level of farm technology is the result of research which began decades ago, and in order to have adequate food supplies in the decades ahead, we will have to continue production research today -- we must keep the production research pipelines full.

It is generally true that production research will not provide the answer to the problems of low farm income and overproduction, and we should be under no illusion that it will. The farm income problem is a special problem of economics which grows out of the lack of bargaining power the individual farmer has in terms of his influence in the market and on the problem of overproduction.

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Thus we are dealing with two separate areas and two separate goals of agricultural research. Production research is designed to gain the maximum production in the most efficient and economical manner to provide for the future food and fiber needs of a whole nation.

Since it is difficult to obtain the precise amount of food and fiber needed at a particular time, it then becomes the task of economic research to develop methods which will lead to effective resource adjustment and supply management to insure that those who produce are not penalized for their efficiency.

When efforts are made to strengthen farm income by reducing the amount of land under cultivation, this should not lead to the conclusion that research, soil improvement and other conserving practices to make agriculture more efficient should be abandoned.

If we were to cease all efforts to make agriculture more efficient, we would interrupt the long-run progress which is necessary to insure that the general public will continue to eat better and more cheaply and from which the nation as a whole will benefit.

We must continue to seek ways which will increase the share of the nation's wealth which goes to the farmer, and this is an area where economic research in agriculture can play an important role. But we cannot expect a slackening in production research to help solve this problem any more than we can expect continued production research to have any appreciable benefit to the farmers as a group.

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New and efficient practices will benefit, for a time, the farmer who is an innovator. By putting the product of research to work first, he gains a temporary economic advantage over his neighbor who does not act as quickly to put new technology into practice.

But eventually his neighbors adopt the same practices, and climbing production is soon followed by lower prices. The result is that the benefits of technology flow through the farmer to the consumer. This pattern is often missed by those who advocate research as the answer to the problem of low farm income, and their efforts serve only to confuse two different problems.

Research has a definite role in the agricultural program of the 1960's, both in its historic function to maximize the general standard of living and in the growing task to enable the farmer to share in the results of his productivity.

It is fitting, I believe, to turn our attention at the dedication of this animal disease research facility to this role of research in a policy of Managed Abundance in agriculture both now and for the future.

This group of buildings and the equipment they house represents the finest and most modern facility anywhere in the world for the study of animal diseases. From the scientists who are working here will come, we hope, some of the answers to animal diseases which today rob the farmer and the nation of 11 out of every 100 hogs farrowed and take a heavy toll of cattle and poultry.

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Thus this lab can contribute great value to the efficiency and productivity of the farmer if it can identify and cure the diseases as it has been designed to do.

But this is only one aspect of over-all agricultural research for the 1960's. Today, in terms of the over-all goal of Managed Abundance agricultural research should serve five ends:

*It should help farmers prosper in a period of abundance.

*It should help provide more and better food at reasonable cost for all Americans.

*It should help protect our production potential.

*It should help adjust land, water and human resources to meet growing needs for recreation, forests and open space.

*It should strengthen our ability to use food as a major instrument of foreign aid.

Obviously, economic research, utilization research, marketing research, production research and basic research all overlap in their contribution to these five ends. We cannot depend solely on utilization or marketing research to lift farm people to a level of prosperity in periods of abundance.

The search for new and expanded markets for farm commodities must be accompanied by production research which lowers costs and improves quality--and by economic research to mark the path of agricultural adjustment to economic growth.

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It means that where we have in the past placed a major emphasis on production research, we now will be calling equally on all disciplines. Each area of research, and each research facility and each person engaged in research needs to view their role not as an end in itself, but as one part of the great single force of over-all agricultural research.

It is this broad view -- the new perspective of over-all agricultural research -- which will be most meaningful to the farmers and non-farmers of the nation in programs of Managed Abundance.

We should consider the over-all impact of the research carried out here on animal disease as it relates to research carried out elsewhere on forages and mechanization, and further relate these programs to the economic research or agricultural adjustment such as that being done at the Center for Agricultural Adjustment here on the campus at Ames.

We will continue expanding industrial and food uses for farm commodities through utilization research. It already has brought such well established innovations as frozen foods, concentrated fruit juices, potato flakes and other dehydrated foods.

Scientists will continue the search to improve packaging, transportation, wholesaling, retailing and other functions of the distributing process. Research in this area can produce savings -- some of which may be passed on to the farmer but most of which will go to the consumer in lower prices -- and it will result in better quality products.

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The basic research in dietary problems will continue because there are many questions still to be answered that could lead to healthier lives for all the people of the nation. We need to know more about the exact role played by fats in the diet and their effect on health. We need to know more about what nutrients are actually contained in the 1,000 most commonly used foods.

It also is vitally important that we continue production research to further improve farm production practices and the use of agricultural resources. In doing this, we protect the gains in farming efficiency which already have been made while maintaining the momentum of progress in creating further efficiency and economy.

No one here today can predict with precise accuracy what our population will be in the next 15 or 20 years, or what the food and clothing needs of those people will be. We do know that the demand placed on our agricultural resources will be greater than they are today.

It then follows that if we are to maintain the high standard of living which we now have -- and which the citizens of this country will expect to be continually improved -- we will need to continue basic and applied research in agricultural production.

We not only must continue production research for this reason, but also for the simple fact that agriculture, as a science dealing with living things, is constantly changing.

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In the past 10 years, for example, we have had to completely replace our durum wheat varieties, grown in the northern Great Plains, because of a new and more virulent race of stem rust disease. Oat producers in many areas have had to switch varieties completely three different times in the last 20 years to stay ahead of fungus diseases that otherwise would have made oat production completely unprofitable. It is the same story with livestock and other crops across the entire range of farm production.

In conjunction with production research, the continual improvement of conservation and resource management practices are equally as vital to meeting the nation's needs in the years ahead. In many ways, they may become more important than production research since the pressure on land and forest is likely to increase even more rapidly than population will.

We should insure, within the context of conservation and land use management, that the best croplands are maintained -- and improved -- so that the food and fiber we will need can be produced when it is needed.

We should also be prepared to accommodate the rapidly increasing demand for recreation and leisure time activities. These pursuits which a high standard of living makes possible will require substantial amounts of land and forest areas.

I think it is apparent that over-all agricultural research will occupy an important position in the agricultural programs of the 1960's. Research, in one sense, has become the power source to drive the massive agricultural machine which has developed around the democratic concept of family owned and operated farms.

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It is, I believe, the public consensus that we should maintain the astounding productive vitality of this system, and I want to discuss the branch of research which will contribute most heavily to securing this goal.

There is an example of this branch of economic research at work on this campus -- as I mentioned a moment ago -- in the Center for Agricultural Adjustment. This unit was created several years ago to determine if a more coordinated approach to research would help bring the nation closer to solving the basic farm problem of overproduction and low farm income.

The studies underway in the Center, we hope, will shed new light on the means of developing the procedures which will be most useful in adjusting agricultural resources to produce the kind of food and fiber we want when we need it.

Economic research can address itself most directly to this task which, in itself, may provide the answer to the problems which the individual farmer faces today.

We know that, for the foreseeable future, the farmer can produce more food and fiber with presently known techniques than can be used commercially and concessionally at home and abroad. If we are going to correct this situation before it destroys those who have made our agricultural abundance possible, then we must accept the fact that we will need to develop the tools which can be applied to manage this abundance. In this effort, we will look to the scientist for help.

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Scientific research is, in essence, the search for truth. Whether it is carried out in agriculture, or in nuclear energy or in the way man reacts to his environment, it is the means by which man seeks to expand the limits of his knowledge.

We often are troubled today because we don't know how to utilize the power which scientific research has given us -- particularly in harnessing the atom for peaceful purposes rather than in experimenting with its destructive potential. But the progress which this research represents also gives us hope that the answer may be found tomorrow as we seek more knowledge.

We know that the search for knowledge in agriculture has produced the answer for many of our problems. Research has brought within reach the power to banish forever man's age old fear of hunger and starvation. It has shown us how to take strontium 90 out of milk, and it has shown us how one farmer can be four times as efficient today as 50 years ago.

And so I believe that the stimulus of success in production research which has given us the power of an abundantly productive agriculture will lead, through research in economics, to an expansion in our knowledge which will enable the farmer to live with abundance as profitably as do all other people.

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USDA 4119-61

U.S. Department of Agriculture
Office of the Secretary

I want to express my appreciation to all of you for coming here and for advising with us.

Walking down the hall, I was thinking about the first time I ever tried to milk a cow. It was in the middle of winter--I was 5 or 6 years old--and I ended up in the gutter, and it wasn't a clean gutter either. It was one of those experiences you remember. But I learned to milk a cow.

And for many years during the summertime and during the winter, too, on our farm my grandfather homesteaded, I milked eight to 10 cows morning and night. As I look back on it, it was a lot of fun, but at the time I thought it was a lot of work, especially after you had spent a long day in the field.

I believe that dairy farmers receive as low pay as any kind of work we'll find in this country--in terms of the long hours and the hard work that's put in. We are concerned that this important industry, which makes up a vital part of the economy of our country, should be on a strong and firm foundation, earning a proper return on the farmer's investment in it, and on the labor put into it.

It goes without saying that there have been a lot of changes in dairying, as there have been in all segments of agriculture. Agriculture has been changing more rapidly than any other part of our economy. Let me illustrate this for you.

I don't usually project more than 10 years ahead, because who knows what will happen. But I was reviewing an interim report on land use, and it points

Statement of Secretary of Agriculture Orville L. Freeman before a meeting of the National Dairy and Milk Products Advisory Committee Dec. 18, 1961, Washington, D.C.

out that instead of needing more land by 1980, the United States will need 50 million acres less. That's their projection for 1980, and it includes an increase in population of over 200 million people.

Now this presents a whole brand new dimension. We've been thinking and basing a lot of our expectations on the fact that with the heavy population increase, the problems of over-production of certain commodities were temporary. We hope this is the case and that foreign markets, particularly in the Far East, will develop into the substantial customers which they now promise to be.

But as far as we're concerned here at home there is no reason whatsoever to believe the same thing won't happen in the next 10 years that has happened for the last 10 -- productivity in agriculture will increase substantially faster than our population. In the last 10 years our population increased about 1.7 percent a year while our farm productivity went up about 2.4 percent. And there's no reason to believe that will change--certainly in the next 10 years.

If this is the case, there's not much sense in deluding ourselves that there is going to be any quick or easy solution to the paradox of excess production. We are working hard to develop ways to use effectively and efficiently this agricultural productivity. But it's not easy, for example, to make our food abundance available to the world. People eat different things in different places in the world. In many places there is a serious lack of transportation, storage and distribution facilities. We've got to face up to the fact that we can produce substantially more food than we can use--at least in the foreseeable future.

It means we had better face reality. We have to figure out what to do with abundance, and how we are to live with it--and to quit kidding ourselves

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that a simple answer is somewhere off on the horizon. The answer isn't going to come unless we sit down and work it out in a program of managed abundance where we seek to use our food and fiber as effectively as we can.

In dairy production--now someone might consider me prejudiced, but milk is nature's most perfect food--the productivity of the dairy farmer has gone up, and will continue to do so. We also are faced here with a real problem--the enigma of dropping consumption. Consumption is 2 or 3 percent (3 billion pounds) off already this year. Although per capita consumption has on occasion fallen with an increase in population, a total drop was wholly unexpected.

Now this is going to be very difficult to work out, because this is a very unique and very complicated industry. You are the men who work in it, who understand it thoroughly. We appreciate any help that you can give us.

Given the present climate of opinion, I feel the Congress and the public are not going to support a commodity program that's going to cost a half billion dollars a year which does not begin to bring production into balance with demand. I think this is just a simple statement of fact. We may think that a program ought to be financed at that level. My sympathies run very strongly toward the dairy industry, but I think we have to be practical.

Looking down the road, it means we can either have no program at all--and I don't know what will happen if we follow that route--or, we can try to work one out, and then carry it to the Congress and amass support for it. It's going to take some courage, because it's going to have some things in it which people won't like, and which will be hard to understand.

If you think that the public will consume at a fair price what the dairy farmer can produce, we have no problem; if this is not the case, we've got a

grave problem. You have this consideration to deal with, also, even if we were able to utilize, and utilize effectively, all the dry milk (and we could support it in the budget) we still would have the growing supply of butter to deal with. We are going to end up with something like 400,000,000 pounds of butter this year. This situation is accentuated by the drop in consumption.

The dairy industry has had an outstanding promotion program for a good many years. It has been as imaginative and as effective as any commodity group I know. And yet we find the break in consumption this year.

I was discussing this problem with a member of the United States Senate over breakfast last week. He ordered his breakfast and spoke something like this: "I want a bowl of oatmeal, but with skim milk, no cream and no milk. I'll have a glass of milk, but skim milk, and I want some toast, but no butter."

I said, "You're just the kind of guy that's giving me all kinds of trouble. Now when the dairy program comes before your committee, just remember that you're causing the problem."

This is the pattern. I think we all know it. You know what can be done and how to go about it. We need your help and, very frankly, I think that you need ours. If we work together on this, we can find an answer. I don't want to see a "no program" approach to dairying at this time because I know all kinds of people milking cows that have fine families in fine communities who are going to be badly hurt if this happens.

I hope that you will give this problem your most perceptive attention--and when the best ideas that we can develop have jelled into a program, that you'll give it your best in terms of interpreting it so that it will be understood by all people.

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The thought that we can produce more of certain things than we can use goes counter to some of our basic philosophical and spiritual beliefs. From the early beginning of this country we have believed that a person ought to produce all he can as efficiently as he can, and in as great a quantity as he can.

But it is equally true that we produce more than we can use. This is wasteful. And, with a drop of 3 billion pounds this year in consumption, it's obvious that there is some waste involved. We are, quite apparently, wrestling with a tough economic problem.

We appreciate your help, and I hope that you can come up with some solid, constructive recommendations. We look forward to your help in shaping these recommendations into a program, and in presenting, selling and in administering it.

This is your industry. It isn't the Government's. We want to lend services and work with your industry in developing a program that will be helpful to all people in this country. Where there's a will, there's a way. I sense there is a will here, and I know there is a great deal of know-how here. I hope you will come up with some firm recommendations, and, together, I think we can then carry them out. Thank you very much.

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USDA 4206-61

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, December 29, 1961

Statement by Secretary of Agriculture Orville L. Freeman on Milk Consumption:

During this last year, national consumption of milk -- which scientists have called nature's most perfect food -- dropped 2 to 3 billion pounds below consumption levels of 1960. No one knows why, although speculation is that the current vogue of diet consciousness is largely responsible.

This is a situation which I view with alarm, and it is the main reason why I am serving milk and dairy products at this New Year's reception for the members of the press. You may have expected another beverage which also is a product of our agricultural abundance. If you did, I can only say that I am for a press that is both free and healthy. Besides, this is a government building.

America, aside from the question of the health of reporters, is the best fed nation in the world. Our people have the highest calorie diet of any country today. Our children are bigger, on the average, than children in other nations and each of us can expect to live longer than our parents.

One of the contributing factors over the years to the health of the American people has been the high consumption of milk and dairy products.

Since 1955, however, per capita consumption has been trending downward, but the increase in population has compensated for this in terms of total consumption.

This past year, however, the Department estimates that total consumption will drop three billion pounds under 1960 levels -- the first interruption of the steady upward trend which began in 1953.

Statement of Secretary of Agriculture Orville L. Freeman at New Year's reception in the Secretary's office, Washington, D.C., December 29, 1961.

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The drop in consumption of fluid milk and cream is the first since the 1930's.

What effect this development will have on the health of the American people, no one can say. But the effect it will have on the dairy industry and on the dairy program can be more surely predicted.

The drop in consumption also means that the government is in the position where it will be taking on a substantial amount of butter and dried milk -- substantially more than was expected a year ago.

The increase in production which occurred this year would normally have been expected, in line with the long-term trend, to be consumed as population increased. Actually, production increased 1.5 percent in 1961 while population increased about 1.7 percent.

It would appear, then, that this is one "farm" surplus which has been caused by some, as yet undefined, shift in eating habits of the consumer.

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USDA 4315-61

UNITED STATES DEPARTMENT OF AGRICULTURE

For P.M. Release Tuesday, Jan. 2 Washington, December 29, 1961

Secretary Freeman Cites Agricultural Achievements of 1961:

Secretary of Agriculture Orville L. Freeman in a year-end summary of Department activities today characterized 1961 as a year of enlarging opportunity for American agriculture--which brought a reversal in the build-up of surplus stocks and a substantial turn upward in income.

"Net farm income for 1961 is up at an annual rate of about a billion dollars over 1960, a 9 percent increase," the Secretary said. "And the 1961 level is higher than any year since 1953.

"Our approach to a managed abundance has cut back both production and government stocks of feed grains, while at the same time putting our food abundance to wider use at home and abroad.

"Confidence of farmers in the strengthened agricultural outlook has led to a level of economic activity in 1961 in many farming communities from 10 to 15 percent over last year's, as reflected by retail sales along Main Street.

"At the same time our farmers--the most efficient in the world--were providing an abundance of food, fiber, and other products at remarkably low real cost in terms of hours of labor to buy them. One hour's pay today buys much more than it would a decade ago--1 loaf more bread, nearly 2 pounds more chuck roast, 10 pounds more potatoes, 2 quarts more milk, or $1\frac{1}{2}$ dozen more eggs."

As major accomplishments of the U.S. Department of Agriculture during its first year under the new Administration, Secretary Freeman listed the following:

* Almost 1.7 billion pounds of food were made available to some 23 million Americans--school children, needy families, persons in institutions, and those living in areas where natural disasters struck.

* As a first step in shoring up farm income, price supports were raised on corn, cotton, peanuts, rice, butterfat and milk, barley, grain sorghum, oats, rye, cottonseed, flaxseed, soybeans, dry edible beans, and honey.

* Despite an unusually good crop season, the 1961 feed grain program stopped the buildup of excessive supplies of feed grain. And for the firs time since 1952 government stocks were cut.

* Loans made and insured by the Farmers Home Administration reached a record high of $490 million, a 46 percent increase over 1960.

* More than $222.6 million in electrification loans approved by the Rural Electrification Administration during 1961 will result in electric service for an additional 103,000 rural consumers. Telephone loans of $110 million approved during the year will bring new or improved service for almost 185,000 rural subscribers.

* Strengthening of USDA services to exporters during 1961, and greater sharing of U. S. abundance through Food for Peace, helped push agricultural exports to all-time highs in value and volume. An estimated record-breaking $5.1 billion export total--of which about 70 percent was commercial dollar sales--followed new and positive action to expand U. S. agricultural markets abroad.

Other significant achievements by USDA during 1961, as listed by Secretary Freeman, were:

1. New Programs Developed

FOOD STAMP PLAN -- This experimental program to provide better diets by supplementing food budgets for low income families was launched in June in eight pilot areas, with about 140,000 participants by the end of October.

Also introduced during 1961 were experimental programs to help schools, in areas of poor local economic conditions, provide well balanced lunches and milk for their pupils.

FARMERS DEVELOP PROGRAMS -- Broader producer participation in farm program development began through the Agricultural Act of 1961. The turkey industry is now considering a nation-wide marketing order. Other commodity groups exploring new approaches to their marketing problems are the broiler, rye grass seed, peanut, and tobacco groups.

2. Public and Consumer Services Stepped Up

DEFENSE AGAINST NUCLEAR ATTACK -- USDA set up a field organization for advance planning to offset the effects of a nuclear attack, and to handle special agricultural duties afterwards. The Department told farmers how to protect their families, crops and livestock from attack, including post-attack fallout and fires.

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It also is developing the requirements of a National Defense Food Policy from the farm clear through to the consumer.

Research to help the nation survive possible attack includes development of a whole-grain wheat wafer for stockpiling in fallout shelters, and operation of a pilot plant for removing strontium 90 from milk.

INSECT RESEARCH BREAKTHROUGH -- USDA scientists discovered that several chemicals prevent reproduction in insects--a discovery that may lead to improved control or eradication of some of mankind's worst pests. Minute amounts of these chemicals were used experimentally to treat houseflies, mosquitoes, boll weevils, stable flies, screwworm flies, and Mexican fruit flies. The chemicals sterilized both male and female insects without altering mating behavior. Sterile females would be incapable of producing progeny, and sterile males would compete with fertile males in mating with any females that escaped the sterilizing treatment. This double effect would result in rapid reduction of the insect population. USDA scientists are optimistic that safe chemosterilants can be developed and used in the field to sterilize native insect populations.

CONSUMERS, PRODUCERS HELPED -- Meat inspection regulations that prohibit added moisture in smoked hams and similar pork products became effective on Nov. 17 in meat-packing plants subject to Federal inspection. This return to regulations in effect before Dec. 30, 1960, followed a series of public hearings.

During 1961 USDA increased its activity in enforcement of the Packers and Stockyards Act, a statute that guarantees farmers the opportunity to market under fair and nondiscriminatory business practices in the livestock industry. More than 200 cases were handled in 1961, compared with 94 in 1960. Among the 1961 cases were 72 dealing with marketing trade practice violations, and 15 involving meat-packer trade practices. Both producers and consumers benefit from enforcement of the Packers and Stockyards Act.

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FOREST DEVELOPMENT PROGRAM -- USDA outlined a Development Program for the National Forests which was submitted to Congress and the American people in September. This program calls for expanded camp and picnic facilities to meet the increased number of recreation visits, which in 1961 soared over the 100 million mark. It also calls for tree planting and improvement of national forest timber lands to bring the annual allowable cut up to 13 billion board feet by 1972. The program provides for treatment of 1.3 million acres for erosion control and stabilization.

3. Aid to Farmers Strengthened

EMERGENCY ASSISTANCE -- Livestock feed assistance was made available during 1961 in 330 counties in 18 States to farmers and ranchers whose feed supplies were reduced or destroyed by natural hazards, mainly drought in some areas and floods in others. Emergency conservation assistance was provided in 209 counties in 14 States to help farmers and ranchers carry out needed measures -- largely to combat the effects of flood or prolonged drought. From Jan. 1 to Dec. 15 the Farmers Home Administration made 4,247 emergency loans totaling $10,066,593 in nine States to farmers and ranchers suffering serious losses from drought.

WATERSHED, SOIL CONSERVATION PROJECTS -- Fifteen watershed protection and flood prevention projects were completed during the first 11 months of 1961. A total of 89 new projects were authorized for planning assistance from the Soil Conservation Service, and 76 were approved for construction operations.

Major soil and water conservation practices installed during the fiscal year 1961 by cooperators in 2,883 soil conservation districts included 13.8 million acres of conservation cropping systems, 3.1 million acres of contour farming, 3.7 million acres of pasture improvement, and improved water application on 2.1 million acres. Through the districts, which cover 96 percent of the nation's farms, the Soil Conservation Service assists more than 1.8 million farmers and ranchers who operate over 594 million acres.

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During the first 10 months of 1961, nearly 2,000 farmers and ranchers in the 10 Great Plains States signed contracts to receive technical and financial assistance from SCS under the Great Plains Conservation Program. Over 7,500 farmers, operating over 19 million acres, are participating in the 365 counties designated eligible for assistance. By July 1 over 607,000 acres of cropland had been converted to grassland and other safer uses.

MARKETING RESEARCH, SERVICES -- Contracts were let by New York City during 1961 for a new wholesale fruit and vegetable market--one of 59 marketing facilities the Agricultural Marketing Service assisted in planning during the year. In addition, AMS stepped up marketing services in 1961 to give them greater value to consumers as well as to producers.

COOPERATIVES STRENGTHENED -- Resources of the Farmer Cooperative Service were mobilized to help farmers strengthen their cooperative business enterprises to meet ever-increasing challenges of needed growth and more services. Among the problems handled were mergers, economic integration, and "beefing-up" of bargaining power.

FCS made a number of studies to help cooperative leaders decide whether to merge. For example, merger of four dairy cooperatives -- serving over 3,000 Kentucky and Indiana farmers -- took place after the agency had helped study the situation, prepared data on economic aspects, and helped plan the type of organization needed.

CROP INSURANCE EXPANDED -- The Federal Crop Insurance Corporation has allocated 100 new insurance counties in 25 States for the 1962 crop year. Currently, insurance is being offered in 992 counties. Additional crops have been added in 156 counties where one or more crops are now being insured. Improved tobacco and peach programs have been developed.

REA REPAYMENTS HIT $1 BILLION -- Electrification borrowers passed the $1 billion mark in payments to REA on the principal of their loans. In addition

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they have paid half a billion in interest. As 1961 drew to a close only one of REA's nearly 1,000 electric borrowers was delinquent in payments on its loans.

4. World Needs Studied, Exports Boosted

WORLD FOOD BUDGET -- Statistical reporting and economic research functions of USDA were elevated to independent agencies, and a study on "The World Food Budget" by the new Economic Research Service provided for the first time an objective measure of each country's food supply in relation to its requirements for calories, proteins, and fats. This study disclosed that for the first time in history, a third of the world's population is now free from the threat of hunger. For the remaining two-thirds, however, hunger and malnutrition is still a constant threat.

LONDON TRADE CENTER SET UP -- USDA participated in establishing the first permanent U. S. Trade Center abroad, in London. The Center, which is designed to promote sales and trade, already has brought together thousands of British and American food traders.

In addition, the first U. S. foreign marketing specialist posts abroad were opened in London and Hamburg. Other posts are to be set up in the Far East and Latin America. Specialists at the posts will serve U. S. agricultural export interests in world trading centers.

5. Economic Improvements Furthered

RURAL AREAS DEVELOPMENT SPURRED -- To improve conditions in all rural areas, especially those affected by under-employment and sub-standard farm income, Secretary of Agriculture Freeman set up an Office of Rural Areas Development to gear USDA's agencies to area development work. Ultimate objective of Rural Areas Development is better living in rural America for all citizens, prosperous family-type farms, more jobs, expansion of public facilities, and guidance and training of youth.

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The Office of Rural Areas Development also was given the responsibility of selecting rural counties to receive assistance from the Areas Redevelopment Agency of the Commerce Department. So far, 503 rural counties have been named as eligible for ARA aid, and 112 overall economic plans covering 370 counties in 27 States have been reviewed and approved.

AID IN MAKING ADJUSTMENTS -- Intensive educational efforts were launched by the Cooperative Extension Service during 1961 to help farm families and rural communities make the best use of their resources. Acting under the Rural Areas Development program, Extension workers stimulated communities to plan and carry out economic adjustment programs to provide more jobs, diversified income, and more opportunities for youth. More specialized help was given individual farm families through a stepped-up drive to acquaint them with the farm outlook, the latest research results, and Government programs they might use in order to have a balanced farming operation.

6. Other Activities

RECORD FUTURES TRADING SUPERVISED -- A record volume of futures trading was supervised by the Commodity Exchange Authority during 1961. In all regulated commodities, futures trading increased an estimated 60 percent, to 12.3 million transactions compared with 7.7 million in 1960. Dollar value of trading was up 104 percent to $56.6 billion, from $27.7 billion in 1960.

For P.M. Release Tuesday, Jan. 2

USDA 4302-61